Standalone financial statements

of ENEFI Energy Efficiency Plc.

for the financial year ending 31 December 2021
in accordance with IFRSs

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The financial statements and the annual report of the Board of Directors consist of 109 pages.

Standalone comprehensive income statement for the financial year ending 31 December 2021

	Issued on	31.12.2021 year ended on audited	on 31.12.2020 year ending with audited
Revenue	(1)	379,522	713,394
Direct costs	(2)	(241,648)	(486,782)
Gross profit		**137,874**	**226,612**
Material-type expenditures	(3)	(8,322)	(3,691)
Personnel expenditures	(4)	(109,133)	(96,015)
Services used	(5)	(183,426)	(178,369)
Other income/expenditure (-)	(6)	41,200	45,135
Operating expenses		**(121,807)**	**(6,328)**
Depreciation	(10)	(47,738)	(30,316)
Other expense, income of financial transactions	(7)	(536,243)	771,174
Profit before tax		**(705,788)**	**734,530**
Income tax	(8)	(1,296)	(4,459)
Net earnings		**(707,084)**	**730,071**
Other comprehensive income		0	0
Total comprehensive income		**(707,084)**	**730,071**

Positive and negative numbers are distinguished in the Comprehensive Income Statement. The bracket is the symbol of the negative number.

Standalone balance sheet as at 31 December 2021

	Issue d on	12.31.2021 audited	12.31.2020 audited
Intangible assets	(9)	1,768	0
Tangible assets	(10)	25,950	511,863
Investment properties	(11)	0	931,385
Investments in subsidiaries and affiliates	(12)	4,532,621	5,076,384
Other non-current receivables	(13)	0	0
Long-term debt securities	(14)	0	0
Concession assets	(15)	77,050	213,704
Fixed assets		**4,637,389**	**6,733,336**
Assets held for sale	(16)	476,268	0
Concession assets	(15)	138,957	170,272
Contractual assets	(17)	0	13,228
Customers	(18)	215,627	121,766
Purchased shares	(19)	251,933	0
Other receivables	(20)	2,073,477	1,972,818
Income tax receivables	(21)	1,110	5,725
Accrued income and deferred expenses	(22)	1,448	1,469
Cash and cash equivalents	(23)	338,895	307,281
Current assets		**3,497,715**	**2,592,559**
TOTAL ASSETS		**8,135,104**	**9,325,895**
Subscribed capital	(24)	166,061	166,061
Capital reserve (premium)	(25)	4,698,537	23,966,744
Own shares	(26)	(382,327)	(382,327)
Accumulated profit reserve		(707,084)	(19,268,206)
Reserve for share-based payments	(27)	65,520	65,520
Equity		**3,840,707**	**4,547,792**
Non-current lease liabilities	(30)	6,314	0
Other non-current liabilities	31	322,205	322,205
Long-term liabilities		**328,519**	**322,205**
Short-term loans	(32)	3,115,595	3,904,317
Current lease liabilities	(33)	5,485	500
Vendor liabilities		139,298	172,791
Deferred income and accrued expenses	(34)	14,424	9,599
Contractual obligations	(35)	512,324	357,682
Short-term loans	(36)	178,751	(11,009)
Current provisions (-)		**3,965,878**	**4,455,898**
EQUITY AND LIABILITIES TOTAL		**8,135,104**	**9,325,895**

Standalone financial statements
for the financial year ending 31 December 2021

	31.12.2021 year ending with audited	on 31.12.2020 year ending with audited
Change of monetary assets from ordinary operations (Operating cash flow)	**58,248**	**338,175**
Pre-tax profit/loss of continuous activity	(705,788)	734,530
Depreciation recognised	47,738	30,316
Difference of generation and use of provisions	0	(47,600)
Earnings on the sale of fixed assets	(40,250)	400
Profit/loss of investment asset's impairment	(383,721)	152,588
Profit/loss of trade receivables' impairment	(82,555)	8,571
Earnings on impairment of other receivables	(60,946)	(655,865)
Cash flow portfolio changes of concession assets	167,969	166,729
Vendor liabilities	(33,493)	(132,662)
Change in other current liabilities	462,403	488,895
Change of deferrals	4,825	(1,704)
Change in trade receivables	(11,306)	57,175
Change in current assets excluding trade receivables	(72,795)	311,828
Change in accrued income and deferred expenses	21	(4,683)
Tax payable, paid	(1,296)	4,459
Change of monetary assets from investment operations (Investment cash flow)	**931,774**	**(544,200)**
Acquisition of fixed assets	23,226	545,400
Sale of fixed assets	955,000	1,200
Change of monetary assets from financial operations (Financing cash flow)	**958,408**	**449,252**
Sale of shareholding in Pannon Fuel Kft.	37,141	0
Purchase of securities	(251,933)	0
Sale of securities	122,901	100,863
Repayment of lease liability's principal part	(11 298)	(8,442)
Loan repayment (EETEK)	(928,740)	22,405
Repayment of loans provided	306,951	486,675
Loans provided	(256,026)	(107,439)
Change of Monetary Assets	**31,614**	**243,227**
Closing financial assets and equivalents	307,281	64,054
Closing financial assets and equivalents	338,892	307,281
-	**31,614**	**243,227**

Positive and negative numbers are distinguished in the cash flow. Bracket shows a negative number.

Standalone statement on equity change
for the financial year ending 31 December 2021

	Subscribed capital	Capital reserve	Own shares	Accumulated profit reserve	Reserve for share-based payments	Total
Balance - 31.12.2020	**100,000**	**(21,423, 391)**	**382,327**	**(19,998,277)**	**65,520**	**(1,208,307)**
Capital increase	66,061	(2,543,353)				**(2,609,414)**
Profit/loss after tax for current year				730,071		**730,071**
Balance - 31.12.2020	**166,061**	**(23,966, 744)**	**382,327**	**(19,268,206)**	**65,520**	**(4,547,792)**
Settlement of negative profit reserve		(19,268,206)		(19,268,206)		**0**
Profit/loss after tax for current year				(707,084)		**707,084**
Balance - 31.12.2021	**166,061**	**4,698,537**	**382,327**	**707,084**	**65,520**	**3,840,707**

Positive and negative numbers are distingished in the equity change statement. Bracket shows negative number.

II. Key elements of Accounting Policy

1. Basis for preparation of financial statement and continuation of undertaking

Statement on compliance with IFRSs

The financial statements have been prepared in accordance with IFRSs. The management declares that the Company has fully applied the rules contained in IFRSs / IASs and IFRICs / SICs as adopted by the European Union. The management made this statement being aware of its responsibility.

I. Numerical parts of the financial statements

These financial statements present the financial position, performance and financial situation of the ENEFI Asset Managment Plc. (hereinafter referred to as the Company).

Basis for preparing financial statements; the set of rules applying and the underlying assumptions, the philosophy of evaluation

The financial statements have been prepared in accordance with the International Financial Reporting Standard (IFRS) established by the International Accounting Standard Board (IASB). The Company has applied IFRSs as adopted by the European Union.

The Company's management has established that the requirements for running the underatking are fulfilled, thus there is no such sign that would refer to the termination or significatn decrease of the Company's operation within a foreseeable - at least one year - period of time.

This financial statement - with an exception of the cahs flow statemet - has been prepared subject to a natural approach, actual economic event is accordingly of importance for presentation and not the cash flows.

The Company generally evaluates its assets at historical initial value, except for those situations where the item is valuated at fair value on the basis of IFRSs.

The Company first time published standalone financial statements based on IFRSs in 2017.

2. The Company

Presentation of the Company (centre of operations, legal form, ownership structure, applicable law)

The ENEFI Energy Efficiency Plc E-Star Alternatív Nyrt., RFV Nyrt., ENEFI Energiahatékonysági Nyrt.) ("ENEFI", or "Company"), which is the group's ("Group") parent company, is a business registered in Hungary. Its registered office is in H-1039 Budapest, Pünkösdfürdő utca 52. The legal predecessor of the Company (RFV Nyrt.) was established on 29 June 2000 with the purpose of making investments that provide return on savings for its prospective customers, mainly in the field of energy, supplying efficient energy to its customers in the long run.

The ownership structure of the Company as of December 31, 2021:

Account holder:	**Ownership ratio (%) ***	
	2021.december 31.	**2020.december 31.**
Own shares	9,71%	9,71%
Related party	17,02%	3,19%
Imre Kerekes	3,29%	3,29%
Csaba Soós	30,69%	30,69%
Free float rate	39,29%	50,12%
Total	100,00%	100,00%

* Ownership rate: reflecting all shares issued by the Company, irrespectively of whether voting rights are attributed to it or whether it has been listed on the stock exchange.

The current business environment of the Issuer

The Budapest-based Group of Companies currently consists of companies present in Hungary and Romania. In terms of sales revenue, currently, the previously concluded long-term thermal energy service agreements play an important role. Information related to the new activities started by the Capital increase was started in 2020.

Operation and main activities of the Issuer (in 2020-2021)

2020

The Issuer continued its thermal energy service business (as part of the branch of the accepted strategic basic pillar) and the activity of the Issuer was also completed with the asset elements, which had contributed to the revenues in 2020. An amendment to the share capital and company name was registered by the court of registration on 09.01.2020. Share capital of the joint stock company: 166,061,090 - Ft. The share capital consists of 11,150,000 registered, dematerialised ordinary shares with a nominal value of HUF 10 (Series A) * and 5,456,109 registered, dematerialised, convertible dividend preference shares with a nominal value of HUF 10 (Series H). Company name: ENEFI Energy Efficiency Plc ENEFI Asset Management Plc. The shares from the Capital Increase were generated by KELER Zrt. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB refused to approve the prospectus prepared for the listing of the shares presented above to the regulated market and terminated the licencing procedures on 06.08.2020. The Company will repeat the submission and approval of the prospectus.

Bálint Ferencz resigned from his position as a member of the Supervisory and Audit Committees of the Company by 09. 08. 2020. due to his other occupations.

The Issuer accepted the Strategy currently in force in June 2019 with which it intends to put the Issuer on the way of growth again according to the contents thereof.

According to the new Strategy of the Issuer, the Issuer intends to shift its main activity towards asset management.

2021

The activity of the Issuer in the entire year 2021 was based on the asset management structure divided to Pillars fitting in the strategy announced as asset management. The Issuer continued its thermal energy service business branch providing ESCO revenues. The amount decreased further and it is expected to finally end iin 2024. Most of the asset elements n the Pillars of the asset management branch were taken out of the group and the change of these asset elements are included in the following division according to the Pillars. An amendment to the share capital and company name was registered by the court of registration on 09.01.2020. Share capital of the joint stock company: 166,061,090 - Ft. The share capital consists of 11,150,000 registered, dematerialised ordinary shares with a nominal value of HUF 10 (Series A) * and 5,456,109 registered, dematerialised, convertible dividend preference shares with a nominal value of HUF 10 (Series H). Company name: ENEFI Energy Efficiency Plc ENEFI Asset Management Plc. The shares from the Capital Increase were generated by KELER Zrt. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB approved the listing of the shares presented above to the regulated marketin 2021.

The General Meeting of Enefi Asset Management Plc. elected Dr. Piroska Paksi to be member of the Board of Directors from 09.07.2021. who held this position until 14.02.2022.

András Zoltán Petykó, member of the Board of Directors resigned from his membership on 17.11.2021.

The Issuer accepted the Strategy currently in force in June 2019 with which it intends to put the Issuer on the way of growth again according to the contents thereof.

According to the new Strategy of the Issuer, the Issuer intends to shift its main activity towards asset management.

The basis of this currently is the corporate and real estate investments made by the Issuer, the operation of Síaréna Kft. in 2021 and the change of asset elements based on the following:

a. Brief description of Síaréna Kft.

Date of acquisition: 01.09.2020

The expectation of the owner Client: 100 per cent shareholding, full consolidation

Síaréna Kft. reached record sales revenue in year 2021, nevertheless its operation was negatively influenced by the following:

- Significant decrease of winter sales revenues (January, February, March and December 2021), catering, training and borrowing volumes, which is on the one hand the effect of the COVID 19 pandemic as a decrease in catering and significantly increasing number of visitors on the basis (2020) who used the training and borrowing services much less on the on the one hand.

- Limited spring and supper opening hours due to the COVID 19 pandemic.

- Significant drought from mid-2021 which affected the operation of the ski slope in December 2021.

- Human resources management was the greatest challenge in 2021 since wages significantly increased in the service sector and providing the adequate seasonal human resources caused great difficulties and significant extra costs.

Seeing the difficulties arising from the beginning of year 2021, the management of Síaréna started the reorganisation of operations and adaptation to the changed situation. The management started determining reorganisation and processes in 2021 which efforts are continued in 2022 as well.

In November 2021, Enefi Asset Management Plc. published the business and implementation plan for the “longest water slide in the world” in which the expected return of the project was detailed and Enefi Asset Management Plc. had the value of the project valuated by a judicial specialist as its greatest asset element. Works related to the construction of the slide have been commenced.

b. Brief description of 8. Meder Street

Date of sales: 11.18.2021

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: direct (owned) real estate ownership

The Company sold the real estate in Meder Street and used it as a tenement together with the 14 parking places belonging to it until the date of sales.

c. Description of building plot in Balatonfenyves

Date of acquisition: 11.18.2021

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: direct (owned) real estate ownership

The Company sold the real estate in 2021 and it had not performed any business activity to utilise the real estate before the reference year.

d. Brief description of Random Capital Zrt.

Date of sale: 09.01.2021

All ordinary shares (54 pieces) owned by the Group were sold.

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: affiliated company, ownership of shares (9.46 per cent of all issued shares), withdrawn as affiliated company

The Company sold its shares in Random Capital Zrt. in 2021. The transaction is closed but it has not been completely accounted financially (withheld purchase price).

e. Acquisition of LNG/LCNG filling station

Date of sale: 02.07.2022

Date of acquisition: 11.27.2020

Form of ownership: direct ownership

The issuer announced on 16.11.2021 that it was continuing negotiations about the sales of the filling station. The filling station was sold on 07.02.2022. The Company had not used the filling station before it was sold and it was operated by Pannon Fuel Kft. in absence of licence.

Enefi Asset Management Plc. started its activity at the capital market purchasing shares in year 2021.

Currency and accuracy of financial statement presentation

The functional currency of the Company is the Hungarian Forint. The financial statements are presented in HUF (presentation currency) and, unless otherwise indicated, the data is in HUF thousand (HUF).

The euro and the Romanian leu are the foreign currencies relevant for the Company. The exchange rates of the two currencies during the reporting period were as follows (one currency unit / forint, MNB exchange rates):

Currency	**2021**		**2020**	
	closing	**avarage**	**closing**	**avarage**
Euró (EUR)	369	358,52	365,13	351,17
Romanian lej (RON)	74,56	72,85	74,99	72,57

The Auditor of the Company:

The current auditor of the Company is UNIKONTO Számvitelkutatási Kft. (registered office: HU 1093 Budapest, Fővám tér 8. 3. em. 317, company registration number: 01-10-045428 The auditor has had its mandate since 30 December, 2016. Currently, the auditor personally responsible for auditing the Company is Dr. László Péter Lakatos (mother’s maiden name: Mária Terézia Gubi, licence number: 007102), whose mandate has started on 30 April 2019.

The auditor charges HUF 2,000 thousand + VAT auditor fee for the audit of these (standalone) financial statements and shall not perform any other service for the Company, but audit service and other assurance services.

Person personally responsible for the preparation of the financial statements

András Klekler, IFRS chartered accountant, who has prepared the Financial Statements, registration number: 200753

3. Key elements of Accounting Policy

I. Numerical parts of the financial statements

The Company's financial statements include (parts):

- standalone statement on financial position (hereinafter: balance sheet),
- standalone comprehensive income statement (hereinafter: income statement),
- standalobe statement of changes in equity;
- standalone cash-flow
- explanatory notes to standalone financial statements.

The Company has decided to include the comprehensive income statement in a standalone statement, recognising the items related to the other comprehensive income in the same statement on an item by item basis after the period's net profit (loss).

Other comprehensive results are items that increase or decrease the net assets (ie the difference between assets and liabilities) and that change should not be accounted for either by assets, liabilities or income, but it directly changes one element of equity. An equity transaction that changes the capital provided, is not classified as, inter alia, other comprehensive income.

Major decisions about presentation

The Company prepared its standalone financial statements in accordance with IFRS for the first time for the business year 2017, with comparative data for 2015 and 2016. The Company has prepared the financial statements in the spirit of transparency and comparability required by stock exchange presence.

The Company publishes standalone financial statements in Hungarian Forints. This is the presentation currency. Standalone financial statements cover one calendar year. The closing date for the standalone financial statements is the last day of each calendar year, 31 December. The Company prepares interim financial statements every six months according to the stock exchange regulations. The rules of IAS 34 apply for interim financial statements, which do not contain all disclosures required by IAS 1, and contain the information in a condensed form.

The standalone financial statements include comparative information unless a period needs to be restated or the accounting policy needed to be changed. In this situation, the opening balance sheet of the comparative period is also presented. No such disclosures were made in 2021.

In the event that the presentation requires to shift one item to another category (for example, due to a new financial statement line), the Company adjusts the previous year figures in a way to achieve comparability. No such shift took place during this period.

The management of ENEFI Plc takes care of the disclosure of the financial statements in accordance with the relevant rules (legislation, stock exchange order).

The Company shall also disclose information about operating segments in its financial statements as explanatory notes. The operating segments are defined according to the strategic expectations of the Board of Directors members. In accordance with the rules of IFRS 8.4, the Group presents its segment report only in the consolidated financial statements.

Accounting policies related to the income statement

Revenue

IFRS 15, Accounting for Customer Contracts - (issued in May 2014; effective for the business years beginning on or after 1 January 2018. EU has adopted the standard. The new standard introduced the basic approach that revenue is recognized when goods or services are delivered to the buyer at the agreed price. All separable tied products or services shall be accounted for separately and all discounts shall be allocated to the corresponding elements of the contract. When the consideration changes, the minimum value can be recorded, when the probability of reimbursement does not contain significant risk. Costs incurred in acquiring a customer contract shall be capitalized and amortized over the term of the contract as the related benefits are acquired by the company.

The Company applies IFRS 15 as of 1 January 2018 in its financial statements. The introduction of the new standard has no impact on the recognition of the Company's revenue, as the contract elements can be clearly distinguished and may be classified one by one by the conclusion of the contract. Consequently, the numerical data have not changed as a result of the modification.

The Company's revenue is recognized if it has performed in accordance with the contracts and there is a probability for the financial settlement of the receivables (when accounting for the revenue).

Only direct returns of the Company’s principal activity are classified as revenue. The Company presents the consideration for ad hoc activities among other items.

The main activities of the Company are the production and sale of thermal energy, sales from properties rented as part of asset management operations, and the construction of special equipment (filling station). Revenue items are invoiced and accounted for on a monthly basis. In addition to thermal energy, the Company has significant revenue from service fees connected to individual contracts accounted for under IFRIC 12. Revenue includes furthermore other rental fees and engineering services.

Operating expenses

Non-financial expenses are referred into the following categories:

- direct costs: the expenses directly related to the revenue shall be listed here;
- indirect costs: items that do not belong to the above category and are not related to other income, which shall be allocated to
  - sales costs (advertising, marketing, sales incentives and similar items) and
  - administrative costs cathegories.

Other disclosures

The consideration for sales that cannot be classified as revenue and any income that cannot be considered as a financial gain or as other issue that increases the overall result shall be recognized among the Company's other incomes. Other expenditures are expenses that are indirectly related to the operation and do not qualify as financial expense or do not reduce the other comprehensive income. The Company recognizes the other income and other expenses on a net basis in the income statement.

Financial incomse and expenses

Interest incomes shall be recorded on a pro rata basis and dividend income shall be recognized when the dividend is validly decided by the main body of the company making the distribution. Interest expenses shall be calculated by the effective interest rate method and shall be classified within the financial expense cathegory. The Company recognizes the foreign exchange differences on foreign currency items (if the effects of IAS 21 Conversion Rates are not part of other comprehensive income) in the financial result. The Company sets the financial result offset in the income statement.

Offsetting

In addition to the IFRS requirements, the Company shall disclose the effect of a transaction in the financial statements on a net basis, if the nature of the transaction requires such a statement and the item is not relevant to the business (e.g. used asset sale outside of business).

Accounting policies related to the balance sheet, recognition and measuring of assets and liabilities

Properties, plants and equipments

The Company lists only productive or administrative assets among the properties, plants and equipments (PPE) that are utilised at least for one year after being put into service. The company separates assets based on purpose [into productive and non-productive (other) assets].

The initial book value of the asset includes all items relating to the purchase or creation of that asset, adding the borrowing costs (see in detail: accounting policy on borrowing costs).

The discounted liability shall be increased year by year, taking into account the course of time (the breakdown of the discount) and the subsequent changes in the estimation on the breakdown costs. The increase in the liability arising from the breakdown of the discount is recognized as interest expense.

The Company applies the component approach, namely preliminary by productive assets, it separates the main parts with the same useful life within the physically homogeonus asset.

Tangible assets shall be valued according to the cost model rules after the initial recognition (initial value, less the accumulated depreciation and accumulated impairment losses).

The depreciable amount is the initial cost less residual value. The residual value shall be determined when its amount is significant. The residual value is the recoverable income after disposal of the asset, less the sale costs.

Depreciation shall be calculated on a depreciable amount per component. The Company uses operating hours method in the case of gas engines and calculates with the linear depreciation methods for the other assets. The below depreciation keys are applied for its assets

Land	non-depreciable
Buildings	1-5 %
Power Plant Equipment	1 - 14%
Non-Productive plants	14 - 33%

The useful life of the assets shall be reviewed per item and it shall be determined whether the asset is usable during the remaining useful life or whether the residual value is realistic. If not, the depreciable amount or the residual value shall be adjusted for the future.

Regurarly, but not annually raising major repair works (meaning real expenditure) shall increase the value of tangible assets. The Company shall consider these works to be one component of that asset, and their useful life shall align to the next (expected) occurrence of these investments.

Revenue from the sale of a tangible asset shall be recognized as an other item, less the remining book value of the asset. Expenditures arising from the write-off of tangible assets shall also be recognised under other items. No revenue, but only expenditure is generated in this case.

Tangible assets

The Company shall establish, whether there are intangible assets with indefinite useful lives.

The Company shall not carry out research activity, shall not produce software or other intangible assets that could meet the recognition criterias. The Company accordingly does not present internally produced intangible assets and does not define accounting policies for those.

The initial value of intangible assets is determined as described for tangible assets.

Intangible assets with indefinite useful lives shall not be depreciated, but shall be tested instead for impairment at every period (or immediately when there is an indication) (see impairment).

Concerning the other intangible assets, it shall be taken into account whether there is any contractual period that would put limit sas regards the possibility to exercise this right. In such situation, the depreciation period shall not be longer than this period, but may be shorter. By default, the contract period shall be adopted as the useful life.

Softwares and similar intangible assets shall be subject to a depreciation rate at 20-33%. The cost model shall govern the assessment of intangible assest after the initial recongition. The residual value of intangible assets shall be deemed to be zero, unless the contrary is proved.

Investment properties

Buildings and land acquired by the Company for investment purposes or for the purpose of generating rental income shall be recognised as investment property in the financial statements. These properties are not used for own purposes or such use is negligible.

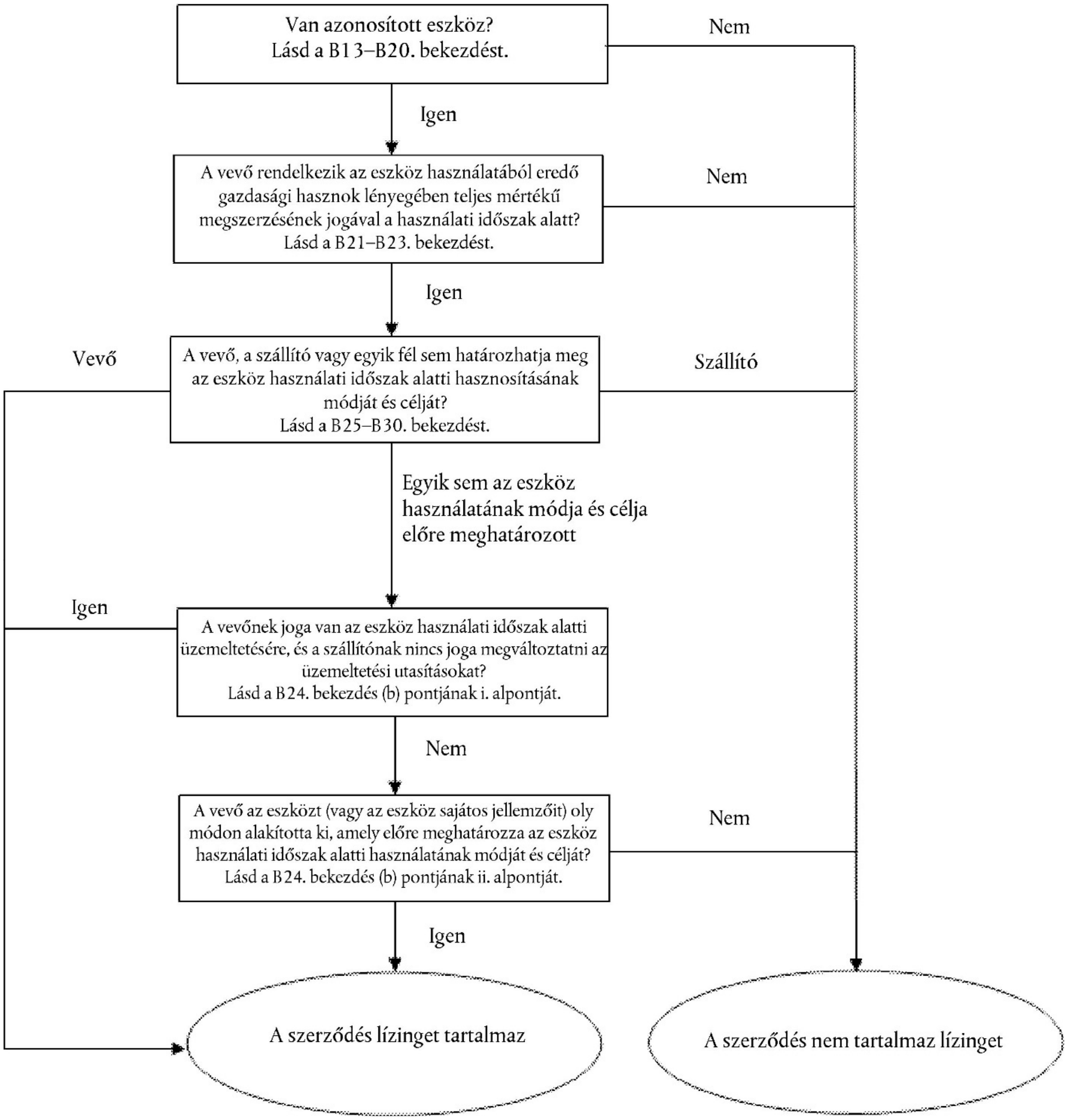
Investment properties are valued by the Company on the basis of the cost model, the depreciation rate used is the same as the rate applied to tangible assets.

These assets are tested for impairment in accordance with IAS 36.

Leases

If the contract assign the right to use of the underlying asset for a defined period of time in charge of consideration, the contract shall be deemd to be a lease contract, or a contract with lease content. Lessee shall be entiteld to collect the profit upon the usage of the asset and to make decision regarding the usage thereof in this case. By switching to leasing there was no need to investigatate whether the contracts effective before 1 January, 2019 comply with the leasing definition. If a contract was previously a lease (whether operating or financial), the rules of IFRS 16 apply to those leases; if there was no contract before that lease, it will not be subject to IFRS 16 even after the effective date thereof.

The Company shall use the flow chart in accordance with paragraph B31 of Appendix B to IFRS 16 to identify the lease:



During the switchover, the Company recognised one car and a boiler as new leasing.

Recognition by the lessee

The lessee shall recognise one right-of-use asset and a lease liability on the opening day.

Recognition exceptions

If the Company shall be considered as a lessee with regard to any of the contracts under the IFRS 16, it shall not apply the general rules of the Standard for the short term (less than 12 months), and low value underlying assets but it shall account the lease fees for the burden of the results, allocated.

Valuation regarding the right-of-use asset

The Company shall account its assets utilized under leasing as right-of-use asset. The valuation regarding the right-of-use assets is subject to the cost model, and the depreciation is based primarily on the contract period. The Company shall test the right-of-use assets according to the IAS 36 standards. The entity shall recognise the right-of-use assets among that asset group where the underlying product belongs. Right-of-use assets shall be separated in the additional notes.

The lessor shall classify a lease as either a lease or a finance lease.

The Company shall specify the lease term as a period of the lease where the termination is not possible, together with the below periods:

- periods covered by the lease extention option, if the lessee has reasonable certainity to exercise the option; and
- periods covered by the leasing termination option, if the lessee has reasonable certainity not to exercise the option.

The Company as lessee shall re-valuate whether it has reasonable certainity to exercise the extention option or not to exercise the termination option, as such significant event or such significant change of the circumstances occurs, that:

- is under the control of the lessee, and
- affects the reasonable certainity of the lessee whether to exercise the option that has not been considered by him / her previously by the establishment of the lease term, or not to exercise the option specified previously in the lease term.

The Company as lessee shall revise the lease term, if there is a change in the period of the lease that may not be terminated. There is a change in the leasing period that may not be terminated, if:

- the lessee calls an option that was not previously considered in determining the lease term by entity;
- the lessee does not exercise the option in the lease term definition specified by the entity,
- as a result of an event, the lessee is contractually required to exercise the option that has not been considered during the establishment of the lease term by the entity, or

- as a result of an event, the lessee is contractually forebidden to exercise the option in the previous specification of the lease term by the entity.

During accounting for the depreciation of a right-of-use asset, the lessee shall apply the standard depreciation requirements of IAS 16 Property, Plant and Equipment if the underlying asset is otherwise an item of property, plant and equipment.

If, under the lease, ownership of the underlying asset passes to the lessee at the end of the lease term, or if the cost of the right-of-use asset shows that the lessee will exercise the call option, the lessee shall account for the depreciation of the right-of-use asset from the effective date till the end of the useful life of the underlying asset. Otherwise, the lessee shall account for the depreciation of the right-of-use asset from the effective date till the end of the useful life of the right-of-use asset or the end of the lease term whichever is the earlier.

Valuation of lease liability

The lessee shall valuate the lease liability at the effective date as the present value of the lease payments not paid to date. Lease payments should be discounted at the implicit leasing rate, if it is readily determinable. If this interest rate is difficult to determine, the lessee should use the lessee’s incremental borrowing rate.

Recognition by the lessor

At the effective date the lessor shall remove the assets held under finance leases from the balance sheet, and shall present the lease receivables at the present value of the lease cash flows (net lease investment).

The Company recognizes the present value of finance lease cash flows as lease investments. By the calculation of the present value, the Company uses the incremental interest rate related to the lease income. The Company esatblishes the ECL for the lease receivable on the basis of the simplified method.

The lessor shall recognise lease payments from an operating lease in the income statement using either the straight-line method or another systematic method, so that the leased asset continues to be recognised in the balance sheet and depreciated.

The Company (as lessor) shall consider any arrangement as finance lease, if

- the underlying asset is transferred to the lessee at the end of the lease period,
- the lessee has such a right whereupon he / she can acquire the ownership of the underlying asset at the end of the lease term and there are also reasonable certainity to exercise this right,
- the lease period (together with the proven extension periods) exceeds the three-quarter of the remaining economic life of the underlying asset,
- total present value of the lease payments reaches 90 % of the fair value of the underlying asset,
- the underlying asset related to the underlying asset is special.

If the lease term is indefinite, term shall be specified subject to the estimation of the enforcable period.

Service Concession Agreements (IFRIC 12)

The Company follows the below by accounting for public-to-private service concession arrangements.

The requirements stated in IFRIC 12 apply if, in the case of a public-to-private service concession arrangement, the following conditions are met:

(a) the transferor controls or regulates which services are to be provided by the operator with the infrastructure and at what price; and

(b) at the end of the term of the agreement, the transferor controls all significant residual interests in the infrastructure, whether through ownership, beneficiary rights or otherwise.

The operator acts as a service provider under the terms of these types of contractual arrangements. The operator builds or develops the infrastructure used to provide the public service (construction or development services) and operates and maintains this infrastructure for a specified period of time (operating services).

If the contracts with each public sector operator meet the above conditions, the infrastructures covered by the contract will not be recorded in the Company's books as property, plant or equipment.

In cases these type of contracts, the construction or development services performed by the Company are recognized in the statements at fair value of the contractually agreed, received or receivable consideration. The contractual consideration may be recognized as a financial asset or an intangible asset.

Construction or development services performed by the Company are recognized as financial assets if, under the contract, the Company has an unconditional contractual right to receive funds for the development or construction services from the transferor (Municipality) or upon the instructions thereof; and the transferor has less or no possiblity to be released from the payment duty since the agreement is legally enforceable. The Company is entitled to receive funds if the transferor provides a contractual guarantee to pay the Company fixed or determinable amounts or to pay the difference between the amounts received from the public service users and the amounts specified or determinable in the contract.

Construction or development services performed by the Company are recognized as intangible assets if, on the basis of the contract, the Company acquires the right (permission) to levy a fee on the public service users. In this case, the borrowing costs that may be assigned to the agreement will be capitalized during the construction and implementation phase of the agreement. If the consideration for the construction or development services provided by the Company is paid partly by a financial asset and partly by an intangible asset, then all components of the consideration received are recognised separately.

The Company has concessions that comply with the financial asset model.

If the Company has contractual obligations for the maintenance or restoration of infrastructure that it has received or completed, those obligations are presented in the financial statements based on the value of the estimated amount at the reporting date (as required by IAS 37).

Capacity extensions shall be recognised in accordance with the rules of IFRS 15.

The rules in IFRS 16 do not apply to situations for which IFRIC 12 applies.

Policy on borrowing costs

In accordance with the provisions of IAS 23, an entity capitalizes borrowing costs when it uses the loan for a qualifying asset. In case of dedicated loans (if the loan is assigned to a specific purpose), the effective interest rate of the loan determines the amount to be capitalized. In the case of general purpose loans, the activation rate must be determined. The capitalization rate is the average of the general purpose loans' effective interest rate weighted with the time passed since the payment or, if it is later, with the time passed since the commencement of capitalization and with the amount of the payment.

An asset (project) shall be considered a qualifying asset (project) in the following cases:

- if it is an investment contract,
- if it is an asset the construction and preparation of which requires more than half a year (regardless of whether the Company or third parties create the asset).

- Value of the particular asset shall not be considered by the assessment.

The capitalization of borrowing costs shall begin when there is an irrevocable commitment or a probability thereof to acquire the asset and to implement the project. In case of an asset, this is usually the order of the asset or, in case of a project, the commencement of physical works, or, if the planning work is carried out by the Company, the commencement of the preparation of the plan subject to the authorization procedure.

The capitalization of borrowing costs shall be suspended if works are interrupted for a longer period than technically reasonable. The technical manager of the project verifies the progress of the project, the fact that there was no downtime longer than technically reasonable.

Capitalization of the borrowing costs shall be completed when the asset is ready, the (physical) works related to the project are completed or, if it falls earlier, the asset created in connection with the project is in use, the use thereof is authorized.

Accounting for gorvernment grants

As a general rule, subsidies are recognised as income by the Company. The item non-recognasible to the benefit of the result is recognised among the liabilities as deferred income. The item to be accounted for the benefit of the results is deducted from the related expense, if feasible. The item to be accounted for profit or loss shall be deducted from the related expense, if practicable. In accordance with the above principle, the Company recognizes assets received free of charge.

If a grant is related to expenses, it is primarily accounted for by a reduction in expenses, if this is not possible, it shall be recognized as other income.

Grants should be accounted for when

- it is basically certain that the Company fulfills the conditions related to the grant, and
- it is certain that they obtain the grant.

If the grant shall be repaid afterwards, at the time becoming aware thereof, a liability shall be recognised by way of increasing the asset value or the costs.

Inventories

Inventories shall be recognised in the financial statements at the lower of cost and net realisable value. A distinction should be made between inventories that are expected to be recovered within one year and those that are expected to be recovered after one year. Fuels should be assumed to be used within a year. The

Company determines the closing value of the inventory on the basis of the average initial cost and includes all the cost to the inventory value that is required by the usage of the inventiry at the intended manner and location.

Recognition of impairment

The Company annually conducts impairment test for its assets. Testing is two phased. As a first step, it examines whether there is an indication of impairment of the assets. The following signs may indicate that an asset is impaired:

- damage;
- revenue shortfalls;
- unfavorable changes in market conditions, reduced demand;
- increase in market interest rates.

If there is an indication that an asset may be impaired, a calculation shall be made, with the help of which the recoverable amount of the asset is definable (second step). The recoverable amount is the higher of fair value less sale costs and the present value of cash-flow from continuing use.

The Company shall carry out the impairment test between December and February.

Current provisions (-)

Only a present obligation arising from a past event, the amount and timing thereof is uncertain, shall be recognized as a provision. It is not possible to recognise a provision that is not related to a present legal or constructive obligation.

If the existence of an obligation cannot be decided unambiguously, the provision should be recognized only if it is more likely that the provision exists than not (present obligation). If the probability is lower than that, a contingent liability must be recognised (potential liabilities). This should not be reported in the balance sheet, but its evolution should be shown in the notes.

Provisions should be included in liabilities and allocated to long and short-term liabilities. If the time value of money is of significant relevance relating to a provision (because it has to be paid much later), the expected cash flows should be discounted. The time value of money should be considered significant if cash flows occur after 3 years or later.

Provisions typically include the below topics:

- indemnifications to be paid upon litigations,

- contractual indemnfication, compensation
- vendor liabilities
- severance payments reogranizational costs.

When a particular topic may be given probability, the maximum level of the payable amount multiplied by the probability means the nominal (non-discounted) value of the obligation.

If the Company concluded a contract, the costs of which exceed the revenue derived thereof, a provision may be made for the smaller of the legal consequence of non-performance of the contract and the losses resulting from the performance of the contract.

A provision may be made for reorganization (e.g. severance pay) if there is a formal reorganization plan that has been approved and communicated to the stakeholders. Provision may only be made for costs related to discontinued operations. Items not related to the activities to be carried out (eg retraining, relocation costs).

No provision shall be made:

- future operating losses;
- to cover future unexpected losses, 'for security purposes';
- for write-offs (e.g. to write-off receivables, inventories).

Employee benefits

The Company mainly provides short-term employee benefits to its employees. The Company accounts these for to the burden of the results if those vest.

Employee rewards, bonuses and other items of a similar nature should be recognised in the balance sheet if they lead to a liability, namely

- if they are bound by a contractual term and this contract condition has been fulfilled (e.g. the particular level of revenue has been reached); then the item is not accounted for in the period when the occurance of the contractual condition is established, but when the condition is met.
- if it is not a contractual term but a management decision that establishes such an item, that may be recognisied when the Company becomes aware of such decision (a constructive obligation).

The Company participates only in a specified contribution pension scheme which is to be determined in the context of the wages paid, it is therefore settled with the wage.

The Company operates in such a legal environment where employees have paid leave. If a legal option or employee - employer agreement is available by the

Company to carry forward the untaken leave to the following years, then a liability shall be made for the untaken leaves accrued at the end of the year with the simultaneous burdening of employee benefits.

Reserve for share-based payments

If the Company provides shares or share price-related benefits to its employees or elected officials in respect of their activities, they shall be accounted for as share-based benefits.

The Company currently has only equity-settled share-based payment. The fair value of the benefits shall be determined and, if a vesting condition is attached, it shall be recognised in profit or loss proportionately with the fulfilment of the vesting condition, simultaneously recognising a separate reserve among the equity elements (IFRS 2 reserve).

If there is no condition attached to the benefit (e.g. further work period, earnings target), it should be immediately recognized as an expense, without inter-period sharing.

The separately recognized reserve (IFRS 2 reserve) should be cancelled when the shares are issued or, if an option is included, expired, exhausted.

As the Company has no other share-based benefit plans, it does not have an accounting policy for them.

Financial instruments

IFRS 9 ’Financial Instruments’ (issued in July 2014; effective for financial years beginning on or after 1 January 2018). The main features of the new accounting standard are:

- Financial assets shall be classified into three measurement categories: measured at amortized cost after initial recognition, measured at fair value after initial recognition against other comprehensive income (FVOCI) or at fair value after initial recognition against income statement (FVPL).
- FRS 9 introduces a new model for the recognition of impairment - the expected credit loss (ECL) model. It uses a three-step approach, based on changes in the credit quality of financial instruments after the initial recognition. The new rules mean, in practice, that an entity is required to include an immediate loss of 12 months' ECL on initial recognition of financial assets not affected by other

impairment. (a full ECL shall be presented in the case of trade receivables). If the credit risk has significantly increased, the impairment is determined by way of the full ECL rather than the 12-month ECL. The model also includes operational simplifications for leases and trade receivables.

- Hedge accounting requirements have been amended to make accounting more consistent with companies' risk management. The standard allows entities to choose between the application of IFRS 9 hedge accounting rules and the IAS 39 rules covering all other hedge accounting, as the standard does not currently deal with macro-hedge accounting issues. The Company does not apply hedge accounting rules.

The Company applies IFRS 9 in its financial statements as of 1 January 2018. As a result of the introduction of the new standard, only the impairment recognized for trade receivables has changed, but this has not had a significant impact on the financial statements.

Tangible assets

Classification

Classification The Company refers its financial assets into the following categories in accordance with the relevant legislative changes in force from 1 January 2018:

- assets carried at fair value (against other consolidated income [OCI] or income statement), and
- assets regsitered at amortized initial cost.

The chosen valuation method depends on the business model of the entity, it is determined based on the management of financial assets and the related cash flows.

The Company has only funds, receivables and loans as financial assets. All financial assets are measured at amortized initial cost, the Company has no financial instruments measured at fair value.

Recognition and measurement

Purchase or sale of a financial asset is recognised on the day the transaction is settled, namely on the day the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets that are not carried at fair value through profit or loss. Financial assets are derecognised when the Company's rights to the cash flows from the particular item have expired or are transferred and the Company has also transferred significant risks and rewards of ownership. Offsetting of financial instruments

Offsetting of financial instruments

Financial assets and liabilities are set-off and recognized in the balance sheet as a net amount if the net settlement of the amounts recognized is legally permitted and the Company intends to settle the amounts on a net basis or intends to realize the asset and settle the liability simultaneously.

Impairment of share

Assets carried at amortized cost

IFRS 9 introduces a three-stage impairment model that binds level of impairment to changes in the quality of a receivable:

CREDIT QUALITY CHANGES SINCE INITIAL RECOGNITION

RECOGNITION OF VARIABLE CREDIT LOSS

expected credit loss for 12 months	**expected credit loss for 12 months**	**expected credit loss for 12 months**
Performance assistant (Initial recognition)	**Underperforming** (Significant deterioration in credit quality since initial recognition)	**Non-performing** (Actual credit loss occurred)

“Credit loss” according to the standard is the difference between the present value of the contractual cash flows and the expected cash flows (discounted at the original effective interest rate). “Expected credit loss” is the weighted average of expected losses. The Company considers all available information by the estimation of the expected loss - whether it is available within the company, or externally or it is a past experience or a forward-looking forecast.

The Company applies the definition of default event corresponding to its internal risk analysis policy by the estimation of the credit risk, and also determines the probability of payment and non-payment as well as the expected timing of cash flows in the estimation.

The Company applies the simplified method to trade receivables. In the simplified method, it defines so-called loss rates, which it derives from past experience and adjusts it to future expectations. The estimate currently includes the following rates:

Delay (days)	Loss rate
Non-due	1,00%
1-180.)	5,00%
181-365.)	10,00%
More than 365	100,00%

Practical recourse is had to IFRS 9 by the Company. These are the below:

- Instead of a 12-month expected credit loss, the Company books the expected loan loss on the trade receivables not including significant financing component and the contractual assets at the time of presentation.
- In case of leasing receivables including a financing component and the receivables under IFRIC 12, the Company, at its choice, calculates the expected loan loss over its lifetime at the time of presentation.

The Company makes the above estimation on group level in case of trade receivables with the same risk.

Derecognition of financial assets

The Company shall only derecognise a particular financial asset in its books if the contractual rights to the asset cash flows cease to exist in the economic sense (e.g. expire) or if the Company transfers the financial asset and basically all the risks and rewards of holding the asset to another enterprise. If the Company does not transfer basically all the risks and rewards of holding the asset but does not keep it, and the Company continues to control the transferred asset, the Company accounts for its interests on the asset kept thereupon, and also accounts for a relating liability on the possibly payable amounts on the other hand. If the Company keeps basically all the risks and rewards of holding a transferred financial asset, the Company continues to recognize that financial asset and accounts for the revenues received as collaterilazed credit libaility.

When a financial asset is completely derecognised, the difference between the carrying amount of the asset and the sum of the consideration received or receivable plus the amount of cumulative gain or loss recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

Financial liabilities and equity instruments

Classification to liabilities or equity

Credit or equity instruments issued by the economic operators in the Company's interest are classified as financial liabilities or equity, taking into account the contractual terms and the definition of financial liabilities and equity instruments. Equity instruments

Equity instruments

An equity instrument is any contract that represents a residual interest in the enterprise’s assets after the deduction of all the liabilities of an enterprise. Equity instruments issued by the Company are to be calculated at the value of the amount received, less direct issue costs.

When the Company reacquires its own equity instruments, it should be recognized, deducted directly in/from equity. The acquisition, sale, issue and cancellation of the Company's equity instruments does not result in any gain or loss recognized in profit or loss. The Company recognizes the reacquired treasury shares in the equity as a negative item in equity at the repurchase value, in a separate line of the balance sheet.

Vendor liabilities

Financial liabilities are classified either as liabilities at ’fair value through profit or loss’ (’FVTPL’) or as ’other financial liabilities’.

A financial liability is classified as FVTPL if it is a trade item or has been designated as financial liability at fair value through profit or loss.

A non-trading financial liability may be designated as a financial liability at fair value through profit or loss if:

- such a classification eliminates or significantly reduces an inconsistency in an assessment or accounting that would otherwise arise; or
- if the financial liability is part of a group of managed financial assets, financial liabilities, or both, the management and performance evaluation thereof is carried out on a fair value basis, in accordance with the Company’s documented strategy on risk management or investment and internal information on categorization is also ensured on this basis; or

- it is part of a contract with one or more embedded derivatives, and IFRS 9 Financial Instruments: Recognition and Measurement standard allows the entire contract (asset or liability) to be recognised as an FVTPL.

Financial liabilities of the FVTPL category are measured at fair value and any gain or loss on revaluation is recognised through profit or loss.

Vendor liabilities

Other financial liabilities (including borrowied funds, trade and other payables) are measured at amortized cost using the effective interest rate method (the method is describedin the assets).

Derecognition of financial assets

The Company derecognises a financial liability when, and only when, the obligation is discharged, released, or cancelled. The difference between the carrying amount of financial liabilities derecognised and the consideration paid or payable is recognized in profit or loss.

Actual and deferred income tax

The Company calculates the actual income tax for the current year according to the tax regulations valid in Hungary which is shown among short-term liabilities (possibly receivables). It also estimates the deferred tax that is included in long-term liabilities or non-current assets. Deferred tax is calculated by way of balance sheet method, taking into account the effect of subsequent key changes. A deferred tax asset is recognized only if it can be demonstrated that the item is realizable (reverse). Deferred tax is determined at the rate of expected reversal.

General accounting policies relation to cash flow

Concerning the cash flow statement, the Company relies on the indirect method till the operative cash flow. Investment and financing cash flows are made by direct method. Overdrafts shall be considered as cash equivalents until proved to the contrary.

The foreign currency

The Company present its separate financial statements in HUF. The functional currency is the currency that best describes the operation of a particular company.

The decision points are the following:

- which is the currency in which the firm earns its income;
- what is the currency in which the costs of the given enterprise are incurred;
- what is the main currency of funding.
- These aspects are prioritized.

An entity may have an exchange rate difference only in a foreign currency.

The Company divides its assets and liabilities to monetary and non-monetary assets. Monetary elements are those, the settlement or payment of which requires cash flow or the money itself is monetary element. Those asset-liability natured items (e.g. advances to services, inventories) that do not require cash flow are not monetary elements.

Monetary items denominated in foreign currencies should be revalued at the spot rate of the record date. All entities apply the exchange rate published by the National Bank of Hungary at the record date.

III. Essential estimates used by the preparation of the financial statements and other sources of uncertainties42

Management must make decisions, estimates and assumptions by the application of the Company's accounting policies about the carrying amount of assets and liabilities that are not apparent from other sources. Estimates and related assumptions are based on past experience and other factors considered relevant. Actual results may differ from these estimates. Actual results may differ from these estimates.

Estimates and the underlying assumptions thereof should continuously be kept under review. Changes in the accounting estimates shall be accounted for in the period of the amendment if the change affects only that period or in the period of the amendment and subsequent periods if the amendment affects the current and future periods.

With the exception of those containing estimates, there are presented below those critical decisions that has been made by the Group when applying its accounting policies and had the most significant impact on the amounts presented in the financial statements.

Useful lives of tangible assets

The Company reviews the useful lives of property, plant and equipment at the end of each annual reporting period. During the year under review, the Board of Directors concluded that there was no need to change the useful life and residual value of tangible assets. Impairment of tangible and intangible assets

Impairment of tangible and intangible assets and concession assets

The estimation of impairment for tangible and intangible assets is made on the basis of the realisable value of income-generating units, namely the real value, less sale costs or value in use. The value in use is determined on the basis of discounted expected cash flows. These cash flows reflect the future estimations of the management for each asset or investment.

We examined in the impairment test for tangible and intangible assets, whether the entity's assets are recoverable. The Company has included the adjustments required by the impairment test in these financial statements.

Gaining a profit that provides an adequate tax base, against which the deferred tax asset can be enforced

Deferred tax assets are only receivable if it is probable that future taxable profits will be realized against which the deferred tax asset can be utilized. In case of recognisable deferred tax assets, the management shall apply significant assumptions on the timing and amount of the taxable profit that may arise in the light of the tax planning strategy.

In the year under review the Company, based on conservative methodology, determined the expected rate of the deferred tax asset available based on the expected earning capacity of existing and contracted projects. This business plan does not count on external financing or spending on cash generated for the Hungarian operation.

Uncertainty regarding the evaluation of subsidiaries

Recoverable amount of the Company’s subsidiaries means a significant uncertainty in the assessment thereof, the change of which may lead to impairment or the reversal of the impairment. These impairments and reversal of impairments directly affect the net result.

Uncertainty regarding the valuation of the litigated claims

In connection with certain receivables of the Company - the obligor of which was the Company's subsidiary in Târgu Mureș – an impairment loss was previously recognised because the Municipality of Târgu Mureș, having a debt to the subsidiary, was not willing to pay receivables from the service provided by the subsidiary. A lawsuit for damages was filed in connection with these claims. The lawsuit resulted in a final court order ordering the municipality to pay the debt and related legal consequences. Due to the fact that the subsidiary in Târgu Mureș is in liquidation, special rules apply to the payment of distributable assets, and additional procedures may be required if payment is not paid voluntarily. As the final court order confirmed the existence of the receivable, it has become necessary to evaluate the receivable, but the evaluation must estimate the size of the distributable assets and take into account adjustments for willingness to pay, which leads to significant uncertainty in the evaluation of the receivable.

IV. Changes in Accounting Policy, expected impact of IFRSs and IFRICs that have not yet

entered into force on the date of the financial statements, past applications

The Company did not change its accounting policies from 2021 to 2022. Exceptions to this are the application of accounting policies related to the introduction of new standards and activities that have not existed previously.

New and amended standards and interpretations issued by the IASB and adopted by the EU, effective from the current reporting period:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 - adopted by the EU on 13 January 2021 (effective for reporting periods beginning on or after 1 January 2021),

- Amendments to IFRS 4 Insurance Contracts with deferred IFRS 9 - adopted by the EU on 15 December 2020 (effective for reporting periods beginning on or after 1 January 2021),

- IFRS 16 Leases – Covid19 Rental Discounts after 30 June 2021 (effective from 1 April 2021), the amendment extends the practical simplification to the period from 30 June 2021 to 30 June 2022. Application of the standard is mandatory to lessees who have opted for the original practical simplification)

New and amended standards and interpretations issued by the IASB and adopted by the EU but not yet in force

At the time of approval of these financial statements, the following standards, as well as amendments to existing standards and interpretations issued by the IASB and accepted by the EU, were published without entry into force:

- Amendments to IFRS 3 "Business Combinations"; IAS 16 "Property, Plant and Equipment"; IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – Annual Improvements (effective for reporting periods beginning on or after 1 January 2022),

- Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Current and Non-current Liabilities (effective for reporting periods beginning on or after 1 January 2023),

- IFRS Practice Statement 2: Disclosure of accounting policies. (effective for reporting periods beginning on or after 1 January 2023),

- IFRS 17 "Insurance Contracts", including amendments to IFRS 17 (effective for reporting periods beginning on or after 1 January 2023),

- IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Changes in accounting estimates. (effective for reporting periods beginning on or after 1 January 2023),

- 12 Deferred tax relating to assets and liabilities arising from a single transaction (effective for reporting periods beginning on or after 1 January 2023)

The Company will not apply these new standards and amendments to existing standards before the effective dates. The Company believes that the adoption of these standards and amendments to existing standards will not have a material impact on the Company's financial statements in the period of initial application.

Standards and interpretations issued by the IASB and not accepted by the EU

The IFRS adopted by the EU do not significantly differ currently from those adopted by the International Accounting Standards Board (IASB), with the exception of the following new standards, amendments to existing standards and new interpretations that have not yet been adopted in the EU with the disclosure date of financial statements:

- Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Transfer of Assets Between an Investor and its Associate or Jointly Controlled Entity (the date of entry into force has been postponed indefinitely until the research project reaches a conclusion on the equity method).

The implementation of these amendments, new standards and interpretations would not have a material impact on the Company's financial statements.

V. Explanatory notes to the comprehensive income statement

1. Revenue

The breakdown of revenue by activity is as follows:

	31.12.2021 year ending with	on 31.12.2020 year ending with
Heat sale	225,857	129,224
Lease	132,563	208,522
MAHART project	9,036	367,518
Income of other operations	12,066	8,130
Total	**379,522**	**713,394**

Revenue includes only yields relating to the entity's principal activity.
Leases include revenue from contracts within the scope of IFRIC 12.

With the exception of accounting for accruals , invoicing was easy to follow in the accounting for the revenue, since the nature of the services does not require adjustment between the further periods.

The introduction of IFRS 15 Revenue from Contracts with Customers as of 1 January 2018 did not affect the Company's revenue, as the Company derives revenue from the service charge for the concession assets rented to municipalities, which is recognized in accordance with IFRIC 12 and does not result in a revenue adjustment difference.

On behalf of MAHART, the Company will establish a filling station based on a tender won in a public procurement procedure. The construction of the filling station is based on the customer's guidelines, the created output (filling station) is controlled by the customer. Therefore, revenue should be recognised on a pro rata basis (over time) for this project.

The degree of completion (PTC) is determined by the Company in proportion to the planned and actual costs. During this period, the Company concluded that there is a significant chance that revenue would be reversed on a pro rata basis, as the Company has no significant experience with such and similar contracts and contract amendments are currently in progress (IFRS15.57). Based on the Company's estimates, the Company is reasonably certain that the costs incurred will be recovered, so it has estimated the revenue in the same amount as the costs incurred.

2. Operating expenses

	31.12.2021 year ending with	on 31.12.2020 year ending with
Passed utility charges	(232,612)	119,264
MAHART project	(9,036)	(367,518)
Total	**241,648**	**(486,782)**

Direct expenditures include expenditures that can be directly related to revenue. The Company reports the costs of the MAHART project (see sales revenue for details) and the utility charges passed on as direct expenses.

3. Operating expenses

	31.12.2021 year ending with	on 31.12.2020 year ending with
Office supplies	261	469
Fuel	(1,265)	(1,206)
Utility charges	(4,496)	(1,717)
Other provisions	(2,300)	299
Total	**8,322**	**(3,691)**

The above table shows the development of the material expenses. The value of material expenditure increased compared to the previous year mainly due to the recognised utility costs and other material costs.

4. Operating expenses

	31.12.2021 year ending with	on 31.12.2020 year ending with
Wages and benefits	(52,921)	41,578
Contributions on wages	(15,639)	14,441
Other personnel benefits	(40,573)	39,996
Total	**(109,133)**	**96,015**

The above table shows the development of the value of personnel costs. The table shows that the value of personnel expenditure did not change significantly compared to the previous year.
The average number of employees of the Company, including the members of the Board of Directors, was 11 in 2020 and 12 in 2021.

5. Server provider

	31.12.2021 year ending with	on 31.12.2020 year ending with
Legal cost	(25,251)	(33,573)
Operational costs	(20,170)	22,924
Rental fees	(7,598)	5,827
Advisory fees	(34,189)	40,930
Bank charges	(2,797)	(1,775)
Other disclosures	(35,520)	22,449
Insurance fees	(5,159)	3,662
Communicationcosts	(2,643)	(1,731)
Property costs	(11,983)	9,234
Maintenance costs	(38,116)	36,264
Total	**183,426**	**(178,369)**

The above table shows the development of the value of purchased services. It can be seen from the above table that the value of the services used increased slightly, by HUF 5,057 thousand compared to the previous year.

6. Other incomes and expenses

	31.12.2021 year ending with	on 31.12.2020 year ending with
Other disclosures		
Cancellation of provisions	0	47,600
Revenue on sale of tangible assets	990,259	1,200
Other disclosures	4,688	43
Total	**994,947**	**48,843**

During the reporting period, the Company sold its properties located in H-1138 Budapest, Meder utca 8 B. Building ground floor, and H-8649 Balatonfenyves, Mária utca 33-34.

Operating expenses		
Fines	(21)	95
Other taxes	(2,571)	2,541
Carrying amount of purchased tangible assets at derecognition	(950,009)	800
Operating expenses	(1,146)	272
Total	**953,747**	**(3,708)**
Other incomes and expenditures (net)	**41,200**	**45,135**

7. Expenditure (income) of financial operations

a) Interest

	31.12.2021 year ending with	on 31.12.2020 year ending with
Interest from affiliate	(48,865)	61,122
Other disclosures	(2,556)	56
IFRIC 12 interest income	(23,775)	45,360
Random bond interest	0	5,272
Interest paid to affiliate	(138,857)	124,977
IFRS 16 lease interest expense	745	274
Total	**64,406**	**13,441**

Details of interest from affiliate:

	31.12.2021 year ending with	on 31.12.2020 year ending with
E-Star Centrul de Dezvoltare Regionala SRL	1,120	736
Síaréna Kft.	43,111	40,670
E-Star Energy Generation SA	1,174	1,094
Ski43 Nonprofit Zrt.	1,304	86
ENEFI Projekttársaság Kft.	2,156	1,203
Pannon Fuel Kft.	0	17,333
Total	**48,865**	**61,122**

Details of interest paid to affiliate:

	31.12.2021 year ending with	on 31.12.2020 year ending with
EETEK LIMITED	(133,857)	124,977
Total	**138,857**	**(124,977)**

b) Impairment of participation and reversal thereof:

	31.12.2021 year ending with	on 31.12.2020 year ending with
Impairment of share	(133,642)	123,315
Impairment (-) / reversal of impairment on the Ski43 Program Nonprofit Zrt. shareholding	(26,621)	23,531
Impairment of share	(490,742)	0
Total	**383,721**	**146,846**

c) Income and expenses from other financial operations:

	31.12.2021 year ending with	on 31.12.2020 year ending with
Exchange-rate differences	(11 252)	11,218
Valuation difference for shares	3,785	0
Random share – capital gain	96,139	0
Sale of shareholding in Pannon Fuel	(36,640)	0
Total	**52,032**	**11,218**

d) Write-off of expected credit losses and receivables and reversal thereof:

	31.12.2021 year ending with	on 31.12.2020 year ending with
Reversal of impairment on receivables from E-Star Mures Energy SA loan	0	676,633
E-Star Centrul de Dezvoltare Regionala SRL	(22,228)	12,940
E-Star Energy Generation SA	(2,328)	7,828
Ski43 Nonprofit Zrt.	36,654	0
Impairment of share	(82,291)	(1,467)
Financial expenses – expected credit loss	3,353	5,411
Total	**140,148**	**648,987**

One of the Nyrt's subsidiaries in liquidation finally won a lawsuit filed against the Municipality of Târgu Mureş, on the basis of which the Municipality was obliged to pay part of its outstanding and disputed debts. The receivable from the liquidated subsidiary was previously fully written off by the Company as it became insolvent due to the non-payment of the municipality. Due to the success of the subsidiary in court, the recovery of the previous receivable, at least in part, can reasonably be expected. During this period, an estimate had to be made to determine how much of the receivable would be recovered. The estimation required the determination of the expected recovery costs, the Company's share of the distributable assets of the company otherwise liquidated, which had to be adjusted for certain uncertainties. Based on the results of the calculation, HUF 676,633 thousand had to be written back in 2020.

The amount of damages awarded was RON 9,022,980, of which RON 3,394,195 was paid in 2021.

In addition to the written-back claim, the company considers the judgment not ordering the defendant to pay any damages unfounded. For this reason, the Company is considering an international arbitration lawsuit. In addition, according to Romanian case law, a new lawsuit may be brought after this success in court, in respect of the enforcement of default interest on the sums awarded. Its expected turnaround time at first and second instance is roughly one year. The litigated amount is significant. These amounts have not been recognised due to the additional uncertainty.

e) Other financial expenses (income):

	31.12.2021 year ending with	on 31.12.2020 year ending with
Interest rates	(64,406)	(13,441)
Impairment of share	(383,721)	146,846
Earnings from other financial operations	52,032	(11,218)
Write-off of expected credit losses and receivables and reversal thereof	(140,148)	648,987
Total	**536,243**	**771,174**

8. Income tax revenue / expense

The Company recognises only local business tax expense in both periods as income tax expense. Both the innovation contribution and the corporate tax expense are zero.

The deduction of corporate tax is shown in the table below:

	12.31.2021	**12.31.2020**
Profit before tax	**705788.**	**734,530**
Tax base increasing items	**1,577,864**	**60,675**
Depreciation of current year	(42,209)	31,116
Carrying amount of tangible assets sold	(1,391,018)	0
Fine, default interest	2	73
Impairment of share	(82,291)	1,467
Impairment of share	61,214	20,768
Other disclosures	1,130	7,251
Items decreasing tax base	**1,434,934**	**2,104,491**
Depreciation of current year	(71,315)	27,038
Irrecoverable receivables	0	(1,348,761)
Calculated book value of tangible assets sold	(1,358,966)	0
Local business tax	(1,296)	4,459
Release of provision	0	47,600
Reversal of impairment	3,357	676,633
Tax base	**562,858**	**(1,309,286)**
Tax payable	**0**	**0**

VI. Explanatory notes to the balance sheet

9. Tangible assets

The following table illustrates the changes in intangible assets:

	The products	Total
Gross value		
Budapest, 06.04.2022.	**0**	**0**
Acquisition	1,768	**1,768**
Volume reduction	0	**0**
Budapest, 06.04.2022.	**1,768**	**1,768**
Depreciation of current year		
Budapest, 06.04.2022.	**0**	**0**
Depreciation of current year	0	**0**
Volume reduction	0	**0**
Budapest, 06.04.2022.	**0**	**0**
Book value		
Budapest, 06.04.2022.	0	**0**
Budapest, 06.04.2022.	1,768	**1,768**

10. Tangible assets

The below table shows the changes in the assets:

	Properties and buildings	Technical equipment	Other provisions	Right-to-use tangible assets	Total
Gross value					
Amendment on 1 January, 2020:	**271,195**	**297,633**	**22,865**	**17,717**	**609,410**
Acquisition	500,000	543	1,373	0	**501,916**
Sale	0	0	(2,149)	0	**2,149**
Budapest, 06.04.2022.	**771,195**	**298,176**	**22,089**	**17,717**	**1,109,177**
Acquisition	2,125	0	(2,779)	(16,554)	**21,458**
Volume reduction	(502,125)	0	0	(17,717)	**519,842**
Budapest, 06.04.2022.	**271,195**	**298,176**	**24,868**	**16,554**	**610,793**
Depreciation of current year					
Amendment on 1 January, 2020:	**269608.**	**292240.**	**16073.**	**9051.**	**586,972**
Depreciation of current year	2,606	78	811	8,196	**11,691**
Increase in sales volumes	0	0	(1,349)	0	**(1,349)**
Budapest, 06.04.2022.	**272,214**	**292,318**	**15,535**	**17,247**	**597,314**
Depreciation of current year	23,526	153	1,895	(5,528)	**31,102**
Volume reduction	(25,856)	0	0	(17,717)	**43,573**
Budapest, 06.04.2022.	**269,884**	**292,471**	**17,430**	**5,058**	**584,843**
Book value					
Amendment on 1 January, 2020:	1,587	5,393	6,792	8,666	**22,439**
Budapest, 06.04.2022.	498,981	5,858	6,554	470	**511,863**
Budapest, 06.04.2022.	1,311	(5,705)	(7,438)	11,496	**25,950**

On 27 November 2020, the Company purchased the LNG-CNG filling station in Szigetszentmiklós for HUF 500 million. This caused an increase in tangible assets in 2020. In 2021, the Company reclassified the filling station as an asset held for sale. The sale of the filling station will close in 2022.

Tangible assets include a Romanian site with 0 value, to which the Company had to account for a 100% impairment as it was seized by the Romanian authorities. Litigation proceeding is pending in connection with the seizure. The area of the Romanian plot is 29,504 sqm (Zalău). The Romanian authorities appropriated one part of the plot (623 m^2), the expropriation involves a monetary redemption. The receivable is not included in the financial statements.

The Company recognises use rights related to car rental and the pertaining depreciation as a right-of-use asset.

11. Investment properties

The below table shows the changes in the assets:

	Investment properties
Gross value	
Amendment on 1 January, 2020:	**0.**
Acquisition	906,525
Duties, landscaping	43,484
Budapest, 06.04.2022.	**950,009**
Sale	(950,009)
Budapest, 06.04.2022.	**0**
Depreciation of current year	
Amendment on 1 January, 2020:	**0**
Depreciation of current year	18,624
Budapest, 06.04.2022.	**18,624**
Depreciation of current year	16,635
Increase in sales volumes	(35,259)
Budapest, 06.04.2022.	**0**
Book value	
Amendment on 1 January, 2020:	0
Budapest, 06.04.2022.	931,385
Budapest, 06.04.2022.	0

During 2020, the Company acquired 3 properties in Budapest, 14 parking places and a plot of land in Balatonfenyves. The Company recognised these assets as investment property and has chosen to report them at cost. The Company sold the investment properties in 2021.

12. Shares in subsidiaries, affiliates and joint ventures

	12.31.2021	12.31.2020
RFV Józsefváros Kft	(1,470)	1,470
Termoenergy SRL	38,500	38,500
E-Star Centrul de Dezvoltare Regionala SRL	34,525	34,525
E-Star Mures Energy SA (in liquidation)	5,913	5,913
E-Star Energy Generation SA	5,913	5,913
SC Faapritek SA	5,913	5,913
E-Star Alternative Energy SA	5,913	5,913
Ski43 Program Nonprofit Zrt (formerly: Management Fee	(96,500)	96,500
Pannon Fuel Kft.	0	37,141
Random Capital Zrt (affiliate)	0	122,901
EETEK LIMITED	(6,384,260)	(6,384,260)
Síaréna Kft.	(761,017)	761,017
ENEFI Projekttársaság Kft.	52,191	52,191
Total	**7,392,115**	**(7,552,157)**
Impairment of share	(2,861,494)	(2,475,773)
Book value	**(4,530, 621)**	**(5,076,384)**

The below table shows the impairment recognised for the shares:

	12.31.2021	12.31.2020
RFV Józsefváros Kft.	0	0
Termoenergy SRL	38,500	38,500
E-Star Centrul de Dezvoltare Regionala SRL	34,525	34,525
E-Star Mures Energy SA	5,913	5,913
E-Star Energy Generation SA	5,913	5,913
SC Faapritek SA	5,913	5,913
E-Star Alternative Energy SA	5,913	5,913
Ski43 Program Nonprofit Zrt.	(96,500)	69,879
EETEK LIMITED	(2,175,575)	(2,309,217)
Síaréna Kft.	(492,742)	0
Total	**2,861,494**	**2,475,773**

Book value of the investments is shown in the below table:

	12.31.2021	12.31.2020
RFV Józsefváros Kft.	(1,470)	1,470
Termoenergy SRL	0	0
E-Star Centrul de Dezvoltare Regionala SRL	0	0
E-Star Energy Generation SA	0	0
SC Faapritek SA	0	0
E-Star Alternative Energy SA	0	0
Ski43 Program Nonprofit Zrt.	0	26,621
Pannon Fuel Kft.	0	37,141
Random Capital Zrt (affiliate)	0	122,901
EETEK LIMITED	(4,208,685)	(4,075,043)
Síaréna Kft.	268,275	761,017
ENEFI Projekttársaság Kft.	(52,191)	52,191
Total	**(4,530,621)**	**(5,076,384)**

Each of the Companies listed in the table above qualifies as a subsidiary. The Company records its holdings at cost less impairment.

On 13 January 2020, the Company acquired a 100% shareholding in Síaréna Kft., the cost of the shareholding was HUF 761,017 thousand.

On the balance sheet date of the current year, the Company reversed an impairment loss of HUF 133,642 thousand on the EETEK LIMITED shareholding. The Company determined the recoverable amount of the shareholding based on the equity of the investments.

During 2021, the Company sold its shareholding in Pannon Fuel Kft. and the Random Capital Zrt. shares.

In 2021, the Company recognised an impairment loss of HUF 492,742 thousand on its shareholding in Síaréna Kft.

13. Other long-term receivables

	12.31.2021	12.31.2020
SC Faapritek SA	15,685	15,685
SC Faapritek SA	10,821	10,821
Total	**26,506**	**26,506**
SC Faapritek SA loan impairment	15,685	15,685
SC Faapritek SA loan interest impairment	(10,821)	(10,821)
Book value	**0**	**0**

The Company records the loan provided to SC Faapritek SA and the related interest among other long-term receivables.

14. Tangible assets

Tangible assets recognized under IFRIC 12:

	12.31.2021	12.31.2020
Assets derived from service concession arrangements	216,007	383,976

Assumptions used to determine fair value at the reporting date:

The Group discounted the future cash flows in all cases with the internal discount rate applicable to the project at the time of the transaction (discount rates used in determining fair value are between 6% and 8%):

Project	Date	Expiry	12.31.2021	12.31.2020
RFV Józsefváros Kft	08.01.2007	07.31.2022	120,502	281,559
Érd	11.01.2015	09.30.2024	96,091	103,457
Total			**216,593**	**385,016**

The Company recorded the following movements for the concession assets:

	12.31.2021	12.31.2020
Opening balance	**383,976**	**550255.**
Change in estimate due to inflation	1,847	11,123
Receivable decrease	(170,271)	177,852
Expected credit loss	455	450
Closing balance	**216,007**	**383,976**

According to the contract, the concession fees must be adjusted annually for inflation, which the Company recognises each year as an impact in the reporting year.

The Company recognised an expected credit loss of HUF 586 thousand for assets from the service concession agreements. The Company determined the loss given default rate (LGD) at 45% and the probability of the default (PD) at 6 % by the calculation of the expected loss.

15. Deferred tax assets and liabilities

In the course of the deferred tax calculation, the Company compares the amounts that may be taken into account for taxation purposes with the carrying amount per assets and liabilities. If it is a reverse difference (i.e. the difference is settled within the foreseeable future), it shall be recognised as deferred tax liability or asset in accordince with the sign thereof. The Company separately assessed the return on the asset at time of the recognition.

In both years, the Company calculated the tax at a rate of 9% at reversal, as those assets and liabilities become effective taxes in the periods when the tax rate is set at 9% in the applicable laws.

The Company has decided not to include deferred tax assets in the books as their recoverability is unlikely. The below table shows the amount of taxable differences including the value of the deferred tax asset not recognised:

The tax balance and temporary differences for 2021 are as follows:

	Accounting value	Tax value	Difference
Intangible assets	1,768	1,768	0
Tangible assets	25,948	6,024	19,924
Investment properties	0	0	0
Investments in affiliated companies	(5,023,363)	(5,023,363)	0
Other non-current receivables	0	26,506	26,506
Long-term debt securities	0	0	0
Affiliate (Random Capital)	0	0	0
Financial assets (IFRIC 12)	(216,007)	0	216,007
Assets held for sale	476,268	476,268	0
Termination of the contract	0	0	0
Customers	215,627	608,043	(392,416)
Purchased shares	251,933	251,933	0
Other receivables	2,073,477	(10,493 748)	(8,420,271)
Income tax receivables	1,110	1,110	0
Deferred income	1,448	1,448	0
Cash and cash equivalents	338,895	338,940	(45)
Current provisions (-)	0	0	0
Other non-current liabilities	322,205	322,205	0
IFRS 16 long-term	6,314	6,314	0
Short-term loans	3,115,595	3,115,595	0
Short-term loans	5,485	5,485	0
Vendor liabilities	139,298	139,298	0
Deferred income	14,424	14,424	0
Contractual obligations	(631,989)	(631,989)	0
Short-term loans	59,087	59,087	0
Loss impairment	0	(10,980, 450)	(10,890,450)
Total	**12,920,241**	**(32,503, 997)**	**19,583,756**
Taxable difference			**(19,583,756)**
Deferred tax receivable			**(1,762,538)**

The Company does not recognize the deferred tax receivable, since it does not currently have a tax strategy that provides a basis for the recovery of the deferred tax receivable. If the Company subsequently makes a taxable profit or positive tax base adjustment items arise, this asset can be realized.

The tax balance and temporary differences for 2020 are as follows:

	Accounting value	Tax value	Difference
Tangible assets	511,863	504,341	7,522
Investment properties	931,385	931,385	0
Investments in affiliated companies	(4,953,483)	(4,953,483)	0
Other non-current receivables	0	26,506	26,506
Long-term debt securities	0	0	0
Affiliate (Random Capital)	122,901	122,901	0
Financial assets (IFRIC 12)	383,976	0	383,976
Termination of the contract	13,228	13,228	0
Customers	121,766	434,529	312,763
Other receivables	(1,972,818)	10,342,508	(8,369,690)
Income tax receivables	5,725	5,725	0
Deferred income	1,469	1,469	0
Cash and cash equivalents	307,281	307,323	42
Current provisions (-)	0	0	0
Other non-current liabilities	322,205	322,205	0
Short-term loans	(3,904,317)	(3,904,317)	0
Short-term loans	500	500	0
Vendor liabilities	172,791	172,791	0
Deferred income	9,599	9,599	0
Contractual obligations	357,682	357,682	0
Short-term loans	11,009	11,009	0
Loss impairment	0	11,380,842	11,380,842
Total	**(14,103,998)**	**(33,802,343)**	**(19,698,345)**

Taxable difference	**(19,698,345)**
Deferred tax receivable	**(1,772,851)**

16. Assets held for sale

Among the assets held for sale is the LNG/LCNG filling station located next to the M0 motorway, the sale of which took place during 2021. According to the sale and purchase agreement concluded with Shell Hungary Zrt., the ownership of the filling station will be transferred to the buyer in 2022.

17. Termination of the contract

Among the contractual assets, the Company reported mediated services for 2020 that have not yet been invoiced. These services were recharged to RFV Józsefváros Kft. in 2021.

18. Trade receivables

The following information is relevant to customer receivables and the impairment thereof:

	12.31.2021	**12.31.2020**
Net foreign currency portfolio	215,627	121,766

	12.31.2021	**12.31.2020**
Non-due	(140,105)	41,012
between 1-90 days	71,714	5,331
Between 91-180 days	5,818	3,216
between 181-365 days	3,631	79,725
Non-due	386,775	305,245
Gross trade receivables total	**608,043**	**434,529**
Impairment of share	(392,416)	312,763
Customer base at reporting date	**215,627**	**121,766**

The breakdown of non-impaired trade receivables is as follows

Non-impaired receivables	**12.31.2021**	**12.31.2020**
Non-due	(138,704)	40,860
Between 1-180 days	(73,656)	8,127
between 181-360 days	(3,267)	72,779
Non-due	0	0
Total:	**215,627**	**121,766**

The impairment made by the Company on trade receivables is as follows:

	12.31.2021	12.31.2020
Amendment on 1 January, 2019:	**312,763**	**305089.**
Specific impairment for receivables	74,012	570
Expected credit loss	5,641	7,104
Balance as of 31 December	**392,416**	**312,763**

The expected credit loss is recognized in the financial operations' expenses within the income statement.

By the examination of the possibility of a specific trade receivable, the Company takes into account any changes in the credit quality of the receivable between the borrowing date and the end of the reporting period. In all cases, the payment deadline for the customer accounts is 8 days.

19. Purchased shares

As at 31 December 2021, the Company held the following purchased shares:

	Pieces	Cost	Carrying amount – 31.12.2021
ALTEO	2,180	15,079	17,440
ANY	1,550	15,520	15,500
MASTERPLAST	4,100	27,979	28,700
OTP	16,600	42,369	41,500
RICHTER	8,725	97,202	98,793
Épduferr Nyrt.	(1 000 000)	50,000	50,000
Total		**248,149**	**251,933**

The Company holds the shares for trading purposes, therefore changes in fair value are recognised in profit or loss (FVTPL).

20. Other provisions

	12.31.2021	12.31.2020
Affiliated loan	(7,268,185)	(7,319,111)
Affiliated loan interest	(2,686,350)	(2,687,236)
Pannon Fuel Kft.	324,000	0
Other disclosures	7	1,171
VAT receivable	(24,475)	182,829
Other receivables	190,731	141,797
Other receievable gross total	**(10,493, 748)**	**(10,332, 144)**
Impairment of share	(8,420,271)	(8,359,326)
Total other receivables	**(2,073,477)**	**(1,972,818)**

The below table shows the details of the affiliated loans and loan interests:

	12.31.2021	12.31.2020
Affiliated loan		
Termoenergy SRL	34,344	34,344
E-Star Centrul de Dezvoltare Regionala SRL	(4,583,403)	(4,562,294)
E-Star Mures Energy SA	(1,415,458)	(1,672,409)
SC Faapritek SA	11,808	11,808
E-Star Alternative Energy SA	(1,396)	1,396
E-Star Energy Generation SA	(64,525)	63,372
E-Star Energy Generation SA	45,418	45,418
Síaréna Kft.	(1,024,633)	868,970
Ski43 Program Nonprofit Zrt.	(35,000)	15,000
ENEFI Projekttársaság Kft.	52,200	44,100
Total	**(7,268,185)**	**(7,319,111)**

	12.31.2021	12.31.2020
Affiliated loan interest		
Termoenergy SRL	19,772	19,772
E-Star Centrul de Dezvoltare Regionala SRL	(2,145,834)	(2,144,714)
E-Star Mures Energy SA	345,975	345,975
SC Faapritek SA	3,201	3,201
E-Star Alternative Energy SA	4,751	4,751
E-Star Energy Generation SA	(127,679)	126,505
Síaréna Kft.	(34,030)	40,669
Ski43 Program Nonprofit Zrt.	(1,390)	86
ENEFI Projekttársaság Kft.	3,718	1,563
Total	**(2,686,350)**	**(2,687,236)**

The below table shows the impairment of the other receivables:

	12.31.2021	12.31.2020
Affiliated loan		
Termoenergy SRL	34,344	34,344
E-Star Centrul de Dezvoltare Regionala SRL	(4,583,402)	(4,562,294)
E-Star Mures Energy SA	995,776	995,776
SC Faapritek SA	11,808	11,808
E-Star Alternative Energy SA	(1,396)	(1,396)
E-Star Energy Generation SA	(64,525)	63,372
E-Star Energy Generation SA	45,418	45,418
Ski43 Program Nonprofit Zrt.	(35,000)	0
Total	**5,771,669**	**(5,714,408)**

Affiliated loan interest	12.31.2021	12.31.2020
Termoenergy SRL	19,772	19,772
E-Star Centrul de Dezvoltare Regionala SRL	(2,145,834)	(2,144,714)
E-Star Mures Energy SA	345,975	345,975
SC Faapritek SA	3,201	3,201
E-Star Alternative Energy SA	4,751	4,751
E-Star Energy Generation SA	(127,679)	(126,505)
Ski43 Program Nonprofit Zrt.	(1,390)	0
Total	**2,648,602**	**2,644,918**

Total	**8,420,271**	**(8,359,326)**

The below table shows the other claims with a non-zero carrying amount:

	12.31.2021	12.31.2020
Síaréna Kft. loan and loan interest	(1,058,664)	909,639
Enefi Projekttársaság Kft. loan and loan interest	55,918	45,663
Ski43 Program Nonprofit Zrt. loan and loan interest	0	15,086
E-Star Mures Energy SA loan	419,682	676,633
Pannon Fuel Kft. loan	324,000	0
Subsidiaries, former subsidiaries (subtotal):	*(1,858,264)*	*(1,647,021)*
Other disclosures	7	1,171
VAT receivable	24,475	182,829
Security, bond	48,836	47,174
Advance to suppliers	140,214	93,638
Other receivables	1,681	985
Total other receivables	**(2,073,477)**	**(1,972,818)**

The Company recognises the taxes recorded by the same tax authority on net basis. Debt-type tax balances are classified as liabilities (if the company has a debt towards the tax authority after all).

21. Income tax receivables

In the income tax receivables item, the Company reports the local business tax receivable.

22. Deferred income

The below table shows the details of the accruals:

	12.31.2021	12.31.2020
Deferred expenses	(1,318)	1,469
Active accruals of due receivables	130	0
Total	**1,448**	**1,469**

Breakdown of the active accruals of the costs is as follows:

	12.31.2021	12.31.2020
Insurance fee	791	825
Other disclosures	527	644
Total	**1,318**	**1,469**

Breakdown of active accruals of due future receivables is as follows:

	12.31.2021	12.31.2020
Management Fee	130	0
Total	**130**	**0.**

23. Closing financial assets and equivalents

	12.31.2021	12.31.2020
Bank balances	338,133	306,713
Cash	807	610
Expected credit loss	**(45)**	**42**
Cash and cash equivalent	**338,895**	**307,281**

Financial assets includes only balances that may immediatley be converted to money and used.

The Company recognised an expected credit loss of HUF 45 thousand on its cash and cash equivalents. In calculating the expected loss, the Company has determined a loss given default rate (LGD) of 45% and a probability of default (PD) of 0.03%.

24. Subscribed capital

The subscribed capital includes the nominal value of the issued shares. The current nominal value is HUF 10 / piece. The table below shows the movements of equities in the reporting period:

Subscribed capital at nominal value	**12.31.2021**	**12.31.2020**
Nominal value as of 1 January	166,061	100,000
Nominal value of ordinary shares issued during the year	0	66,061
for the financial year ending 31 December 2021	**166,061**	**166,061**

Number of issued and paid ordinary shares	**12.31.2021**	**12.31.2020**
Nominal value as of 1 January	(16,606,109)	(10,000,000)
Mid-year share issue (pcs)	0	(6,606,109)
for the financial year ending 31 December 2021	**(16,606,109)**	**(16,606,109)**

Subscribed capital of the Company has been increased on the 9th of January 2020, according to the non-financial asset as of 29 November 2019. As a result thereof, 1,150,000 ordinary shares and 5,456,109 convertible dividend preference shares were issued. The nominal value of the issued shares increased the subscribed capital.

Composition of the Company's share capital in 2021:

Tranch of share:	**Nominal value (Ft/piece)**	**Number of issued shares**	**Nominal value (Ft/piece)**
Ordinary share	10	11,150,000	111,500,000

Preference shares	10	(5,456,109)	(54,561,090)
Capital size		**(16,606,109)**	**(166,061, 090)**

Composition of the Company's share capital in 2020:

Tranch of share:	Nominal value (Ft/piece)	Number of issued shares	Nominal value (Ft/piece)
Ordinary share	10	11,150,000	111,500,000
Preference shares	10	(5,456,109)	(54,561,090)
Capital size		**(16,606,109)**	**(166,061, 090)**

Number of voting rights attached to the shares in 2021:

Tranch of shares	Number of issued shares	Shares with voting rights	Voting rights per shares	Total voting rights
Ordinary share	11,150,000	11,150,000	1	11,150,000
Preference shares	(5,456,109)	0	0	0
Total:	**(16,606, 109)**	**11,150,000**	**1**	**11,150,000**

Number of voting rights attached to the shares in 2020:

Tranch of shares	Number of issued shares	Shares with voting rights	Voting rights per shares	Total voting rights
Ordinary share	11,150,000	11,150,000	1	11,150,000
Preference shares	(5,456,109)	0	0	0
Total:	**(16,606, 109)**	**11,150,000**	**1**	**11,150,000**

None of the share types are limited in marketability.

Convertible dividend preference shares offer dividends from earnings after tax distributable among shareholders at a rate that is 5% better than the shares belonging to other share types and share classes, if the legal conditions for the payment of dividends are met. A convertible dividend preference share may be converted, one to one, into a series A dematerialized ordinary share with a nominal value of HUF 10 each, based on the decision of its owner. The beneficiary may notify the Board of Directors in writing of the conversion request twice a year, by the end of the first half of the given calendar year and the end of the second half of the calendar year, with proof of ownership, making sure that the notification is certifiably received by the company by the last day of the deadline. The Board of Directors is obliged to decide on the conversion of the notified convertible dividend preference shares into ordinary shares within 30 days after the last day of the given calendar half-year, if the aggregate amount of the notified request in the given calendar half-year reaches 500,000 series H convertible preference shares. The Board of Directors is entitled and obliged to determine the other detailed rules of the conversion (especially the date of the conversion). In the event of a partial conversion, the Board of Directors may stipulate that the shares affected by the conversion are blocked or transferred to a specified account number, as a prerequisite to the implementation of the conversion.

25. Capital reserve (share premium accounts)

	12.31.2021	**12.31.2020**
Balance at the beginning of the year	(23,966,744)	(21,423,391)
Capital increase from in-kind contributions	0	(2,543,353)
Elimination of negative profit reserve from capital reserve	(19,268,207)	0
Year end balance	**(4,698,537)**	**(23,966,744)**

In its Board Resolution No. 3/2021 (04.30.), the Company decided that the Company eliminates the negative profit reserve using the capital reserve available on 31 December 2020. The value of the capital reserves includes the amount made available to the company for shares in excess of the nominal value.

26. Own shares

Development of number of own shares	**12.31.2021 db**	**12.31.2020 db**
Opening value	(1,613,000)	941,811
Number of repurchased own shares	0	671,189
Shares (piece)	**(1,613,000)**	**1,613,000**

Development of own shares value	12.31.2021	12.31.2020
Opening value	382,327	60,122
Carrying amount of repurchased own shares	0	322,205
Shares at carrying amount	**382,327**	**382,327**

630,000 piece of own shares have been separated for the settlement of share option (see the next explanatory note).

27. Reserve for share-based payments

The share-based payment reserve includes the fair value of a share option vested in an earlier period. The share option covers 630,000 piece of shares. The drawing period has not expired yet. During this period, the value of the reserve remained unchanged as the performance obligation was no longer related thereto and the option was not exercised. The reserve could not be revalued to its current market value. The option may be exercised until 25.09.2022, there are no other related conditions to be fulfilled, it is up to the beneficiary to exercise the option.

28. Calculation of Earnings per Share (EPS)

The Company decided to recognise the EPS indicator only as per the consolidated data, as allowed by IAS 33.4.

29. Current provisions (-)

The Company did not record any provisions during the reporting period.

30. Vendor liabilities

On this balance sheet line, the Company reports the lease principal liability of leased assets due after one year. See section 33 for more information.

31. Other non-current liabilities

On 28 June 2019, the Company repurchased 301,283 piece of own shares from ENEFI Projekttársaság and 369,977 piece of own shares from the EETEK LIMITED, in both cases at a price of HUF 480 per share. Pursuant to the share purchase agreement, the Company must pay the purchase price to the above-mentioned two Companies till 31 December 2022.

	Number of shares	Purchase price / share	Vendor liabilities
ENEFI Projekttársaság Kft.	301,283	480	144,616
EETEK LIMITED	369,977	480	177,589
Total			**322,205**

32. Short-term loans

	12.31.2021	12.31.2020
Loan from EETEK Limited – loan 1	(3,001,760)	(3,791,643)
Loan from EETEK Limited – loan 2	110,700	109,539
Loan – Gábor Dácz	3,135	3,135
Total	**(3,115,595)**	**(3,904,317)**

The below table shows the conditions of the loan liabilities towards EETEK LIMITED:

	Payment frequency	Kamat volume	Nominal debt on 31.12.2020	Foreign currency
EETEK LIMITED - loan 1	at the end of the maturity	1 havi BUBOR + 3%	(2,455,884)	thousand forints
EETEK LIMITED - loan 2	at the end of the maturity	kamatmentes	300,000	EUR

The changes in loans received from EETEK LIMITED in 2021 are summarized in the table below:

Loan 1 from EETEK LIMITED	Amount
Balance 01.01.2021	(3,791,643)
Repayment of the loan	(928,740)
Kamat	138,857
Total	**(3,001,760)**

Loan 2 from EETEK LIMITED	Amount
Balance 01.01.2018	99,156
Revaluation surplus at the end of the year	11,544
Total	**110,700**

33. Current provisions (-)

	12.31.2021
Non-current liabilities for asset leasing fees	6,314
Current liabilities for asset leasing fees	5,485
Total	**11,799**

The Company leases a car, and the present value of lease payments payable within one year is reported under this liability position.

Presentation of lease liabilities

The Company recognises an adjustment item in the financial statements due to leases relating to the below factors:

- rental of a car.

The incremental interest rate at the time of the changeover was 6%.

The below table shows the lease fees:

	Lease fees
within 1 year	6,000
between 1 and 5 year	6,500
over 5 year	0
Total lease fee	**12,500**
Interest not yet due	701
Present value of lease fees	**11,799**

The below table shows the lease liabilities:

	12.31.2021
Opening balance	500
Lease fee increase	16,555
Lease payments decrease	(5,256)
Total	**11,799**

34. Deferred income

Breakdown of the balance sheet line is as follows:

	12.31.2021	12.31.2020
Accrued expenses	14,424	9,599
Total	**14,424**	**9,599**

Breakdown of deferred liabilities of costs is as follows:

	12.31.2021	12.31.2020
Rent	1,135	0
Audit	(4,500)	3,750
Accounting fee	1,107	1,155
Other expert fee	(4,900)	4,450
Other disclosures	2,782	244
Total	**14,424**	**9,599**

35. Vendor liabilities

Breakdown of the balance sheet line is as follows:

	12.31.2021	12.31.2020
MAHART project	355,200	355,200
Vendor liabilities	(157,124)	2,482
Total	**512,324**	**357,682**

36. Short-term loans

Breakdown of the balance sheet line is as follows:

	12.31.2021	12.31.2020
General information	50,099	3,042
Payable remuneration	5,561	4,433
Contributions on wages	3,190	3,246
Other disclosures	237	288
Settlement advance against Pannon Fuel Kft	(119,665)	0
Total	**178,752**	**11,009**

VII. Other disclosures

37. Related party disclosures

The key managers of the entity are related parties. During the period of the financial statements, the Company management specified the following related parties:

In the Board of Directors:
Csaba Soós, President of the Board of Directors
András Zoltán Petykó
László Bálint, Board of Directors member, from 30.12.2016
Ferenc Virág, Board of Direcotrs member, from 30.04.2019
Dr. Piroska Paksi

There were no transactions with the above related parties in 2021 and no balance is reported on the balance sheet date against these related parties, except for the benefits provided to senior executives.

The below table shows the remuneration of executive officers.

	12.31.2021	**12.31.2020**
Gross remuneration, commission fee, honorarium	(54,879)	46,631
Total	**54,879**	**46,631**

The Company entered into the following transactions with affiliates in 2021, and the following key balances characterize the relationship (the transactions were priced on an arm's length basis):

	Amount
EETEK LIMITED	
Result positions	
Interest expense	(138,857)
Impairment of share	133,642
Balance sheet positions	
Other non-current liabilities	177,589
Share	6,384,260
Impairment of share	(2,175,575)
Short-term loans	(2,566,584)
Interest of short-term loans	(545,876)
ENEFI Projekttársaság Kft.	
Result positions	
Interest revenue	2,156
Management Fee Income	180
Balance sheet positions	
Other non-current liabilities	144,616
Loan receivables	52,200
Loan interest receivables	3,718
Share	52,191
Trade receivables	1,257
E-Star Alternative Energy SA	
Balance sheet positions	
Loan receivables	1,396
Impairment on loan receivables	(1,396)
Loan interest receivables	4,751
Impairment on loan interest receivables	4,751
Share	5,913
Impairment of share	5,913
E-Star CDR SRL	
Result positions	
Interest revenue	1,120
Impairment of share	(22,228)
Management Fee	(4,472)
Balance sheet positions	
Loan receivables	(4,583,402)
Impairment of share	(4,583,402)
Loan interest receivables	(2,145,834)

Impairment of share	(2,145,834)
Share	34,525
Impairment of share	34,525
Vendor liabilities	779

E-Star Energy Generation SA	
Result positions	
Interest revenue	1,174
Impairment of share	(2,328)
Balance sheet positions	
Loan receivables	109,943
Impairment of share	109,943
Loan interest receivables	127,679
Impairment of share	(127,679)
Share	5,913
Impairment of share	5,913

SC Faapritek SA	
Balance sheet positions	
Loan receivables	11,808
Impairment of share	11,808
Loan interest receivables	3,201
Impairment of share	3,201
Share	5,913
Impairment of share	5,913
Long-term loan	26,505
Impairment on long-term loan	26,505

Ski43 Program Nonprofit Zrt.	
Result positions	
Management Fee	80
Interest revenue	1,304
Impairment of share	(26,621)
Impairment of share	(36,654)
Balance sheet positions	
Share	96,500
Impairment of share	(96,500)
Loan receivables	35,000
Impairment of share	(35,000)
Loan interest receivables	1,390
Impairment of share	(1,390)
Trade receivables	264
Impairment of share	264

E-Star Mures Energy SA	
Result positions	
Reversal of impairment of loan receivable	676,633
Balance sheet positions	
Loan receivables	(1,415,458)
Impairment of share	995,776
Loan interest receivables	345,975
Impairment of share	345,975
Share	5,913
Impairment of share	5,913
Trade receivables	18,485
Impairment of share	18,485

RFV Józsefváros Kft.	
Result positions	
IFRIC 12 revenue	44,379
IFRIC 12 interest income	14,786
Management Fee Income	3,120
Recharged public utility fees	195,076
Balance sheet positions	
Vendor liabilities	(50,099)
Financial asset - IFRIC 12	120,502
Share	1,470
Trade receivables	171,189

Síaréna Kft.	
Result positions	
Impairment of share	(490,742)
Interest revenue	43,112
Balance sheet positions	
Share	761,017
Impairment of share	(490,742)
Loan receivables	(1,024,633)
Loan interest receivables	34,030

Termoenergy SRL	
Balance sheet positions	
Loan receivables	34,344
Impairment of share	34,344
Loan interest receivables	19,772
Impairment of share	19,772
Share	38,500
Impairment of share	38,500

Further related parties:

- 43forfree Nonprofit Kft.
- LNG Tech Kft.
- PROFIT-OPTIMA Holding Kft.
- Fenyves Resort Kft.
- CFB Projekt Kft.
- CSABA REHAB Kft.
- ARX Egészégügyi Központ Kft.
- Alpokalja Haus Kft.
- TENDER INVESTMENT GROUP Pénzügyi Tanácsadó és Szolgáltató Kft.
- Acél Manufaktúra Kft.
- Pannon Fuel Kft.
- RANDOM CAPITAL BROKER Zrt.
- RND Solutions Zrt.

Special disclosures to be included in the standalone financial statement (IAS 27)

The Company, as parent company, discloses consolidated financial statements. These consolidated financial statements are disclosed and deposited in accordance with the Hungarian regulations.

Subsidiaries of the Company:

Name	Country	2021		2020	
		Impairment of share	Voting rights	Impairment of share	Voting rights
EETEK LIMITED	Ciprus	100,00%	100,00%	100,00%	100,00%
Síaréna Kft.	Hungary	100,00%	100,00%	100,00%	100,00%
RFV Józsefváros Kft.	Hungary	49,00%	70,00%	49,00%	70,00%
Ski43 Program Nonprofit Zrt.	Hungary	100,00%	100,00%	100,00%	100,00%
ENEFI Projekttársaság Kft.	Hungary	100,00%	100,00%	100,00%	100,00%
E-Star Centrul de Dezvoltare Regionala SRL	Romania	100,00%	100,00%	100,00%	100,00%
Termoenergy SRL	Romania	99,50%	99,50%	99,50%	99,50%
SC Faapritek SA	Romania	99,99%	99,99%	99,99%	99,99%
E-Star Alternative Energy SA	Romania	99,99%	99,99%	99,99%	99,99%
E-Star Energy Generation SA	Romania	99,99%	99,99%	99,99%	99,99%

Group companies under liquidation that are not included in the consolidation, as the Company does not have any control over those:

Name	Country	2021		2020	
		Impairment of share	**Voting rights**	Impairment of share	**Voting rights**
E-STAR Mures Energy SA "under liquidation"	Romania	99,99%	99,99%	99,99%	99,99%

The Company manages the subsidiary participation based on the cost model.

38. Sensitivity analysis

The Company found that its results substantially depend on two financial key variables (interest rate, foreign exchange rate). Sensitivity analysis has been made for these.

The Company has the following values applying the current exchange rates:

	12.31.2021	12.31.2020
Tangible assets	462,239	0
Vendor liabilities	(110,700)	109,539
Net foreign currency portfolio	**351,539**	**109,539**

The Company has significant foreign currency trade and loan receivables from affiliated companies, however, taking into account the later feasibility thereof, these foreign currency balances have been fully impaired in previous years. The Company consequently did not consider these foreign exchange assets by the analyzation of the exchange rate fluctuations' risk. The analysis of foreign exchange risk is based on non-impaired receivables from affiliates, foreign currency banks and short-term euro-denominated credit debt to an affiliate.

The same values for interest rates are:

	12.31.2021	12.31.2020
Pre-tax result – without interest expense	(618,345)	793,066
Net interest expense	(87,443)	(58,536)
Profit before tax	**705,788**	**734,530**

Outcome of the interest sensitivity analysis (as a percentage of interest rate change):

+0,5%	**12.31.2021**	**12.31.2020**
Pre-tax result – without interest expense	618,345	793,066
Net interest expense	98,306	(67,736)
Profit before tax	**716,651**	**725,330**
Change in the pre-tax result	**(10,863)**	**9,200**

+1%	**12.31.2021**	**12.31.2020**
Pre-tax result – without interest expense	618,345	793,066
Net interest expense	(109,205)	(77,737)
Profit before tax	**727,550**	**715,329**
Change in the pre-tax result	**21,762**	**19,201**

+3%	**12.31.2021**	**12.31.2020**
Pre-tax result – without interest expense	618,345	793,066
Net interest expense	(152,808)	(117,743)
Profit before tax	**771,153**	**675,323**
Change in the pre-tax result	**65,365**	**59,207**

-0,5%	**12.31.2021**	**12.31.2020**
Pre-tax result – without interest expense	618,345	793,066
Net interest expense	(76,493)	(47,733)
Profit before tax	**694,838**	**745,333**
Change in the pre-tax result	**10,950**	**10,803**

-1%	**12.31.2021**	**12.31.2020**
Pre-tax result – without interest expense	618,345	793,066
Net interest expense	(65,604)	(37,732)
Profit before tax	**683,949**	**755,334**
Change in the pre-tax result	**21,839**	**20,804**

-3%	**12.31.2021**	**12.31.2020**
Pre-tax result – without interest expense	618,345	793,066
Net interest expense	(20,921)	3,202
Profit before tax	**639,266**	**796,268**
Change in the pre-tax result	**66,522**	**61,738**

Sensitivity analysis of foreign exchange change (as a percentage of exchange rate change):

+1%	**12.31.2021**	**12.31.2020**
Tangible assets	466,861	0
Vendor liabilities	111,807	110,634
Net foreign currency portfolio	**355,054**	**110,634**
Change in net foreign currency portfolio	**3,515**	**1,095**

+5%	**12.31.2021**	**12.31.2020**
Tangible assets	(485,350)	0
Vendor liabilities	(116,235)	115,016
Net foreign currency portfolio	**369,115**	**115,016**
Change in net foreign currency portfolio	**17,579**	**5,477**

+10%	**12.31.2021**	**12.31.2020**
Tangible assets	(508,462)	0
Vendor liabilities	(121,770)	120,493
Net foreign currency portfolio	**386,692**	**120,493**
Change in net foreign currency portfolio	**35,153**	**10,954**

-1%	**12.31.2021**	**12.31.2020**
Tangible assets	(457,616)	0
Vendor liabilities	(109,593)	108,444
Net foreign currency portfolio	**348,023**	**108,444**
Change in net foreign currency portfolio	**3,516**	**(1,095)**

-5%	**12.31.2021**	**12.31.2020**
Tangible assets	(439,127)	0
Vendor liabilities	(105,165)	104,062
Net foreign currency portfolio	**333,962**	**104,062**
Change in net foreign currency portfolio	**17,577**	**5,477**

-10%	**12.31.2021**	**12.31.2020**
Tangible assets	(416,015)	0

Vendor liabilities	99,630	98,585
Net foreign currency portfolio	**316,385**	**98,585**
Change in net foreign currency portfolio	**35,154**	**(10,954)**

39. Equity Correlation Table

Pursuant to Section 114 / B of the Act C of 2000 on Accounting, an entity that draws up its annual financial statements in accordance with IFRSs, it shall also prepare an equity correlation table on the reporting date, presented as part of the explanatory notes.

Our Company hereby complies with this requirement:

	Euqity under IFRSs (that is the difference of the assets and liabilities under IFRSs)	(3,840,707)
+	+Amount of received grant recognised as liability under IFRSs	0
-	amount of provided grant recognised as asset under IFRSs	0
+	funds received to be added to capital reserve, if that is a deferred income (IFRS)	0
+	value of assets received, if that is recognised as a deferred income (IFRS)	0
-	capital increase resulting in an equity instrument, if it was to be recognised as a receivable from the owners (IFRS)	0
	Equity Correlation Table	**3,840,707**
	Subscribed capital under IFRS	*166,061*
	Subscribed capital included in the deed of founddation is equal to the subscribed capital registered at company registry court	166,061
	Subscribed but not paid capital	*0*
	Subscribed but not paid capital	0
	Committed reserve	*0*
	Received grant	0
	Development reserve (adjusted with tax effect)	0
	Committed reserve (aligned)	**0**
	Accumulated profit reserve	

	Accumulated earnings from previous years taxed under IFRS and not distributed (without current year part)	(-19,268,206)
+/-	Amounts accounted for to the benefit or for the burden of the retained earnings under IFRSs	(19,268,206)
-	Provided grant amount recognised as asset	0
-	Amount of development reserve not used less relating deferred tax (tied-up reserve)	0
+	Closing retained earning before transition year, adjusted with transition adjustments	0
	Accumulated profit reserve (aligned)	**0**
	Profit/loss after tax for current year	(707,084)
	Profit / loss after tax, point 9 of Section 114/A of Accounting Act	**707,084**
	Revaluation reserve	*0*
	Accumulated amount of items recognized in other comprehensive income	0
	Capital reserve	0
	Aligned equity	(3,840,707)
	Subscribed capital under IFRSs	166,061
	Subscribed but not paid capital	0
	Committed reserve	0
	Accumulated profit reserve	0
	Profit/loss after tax for current year	(707,084)
	Revaluation reserve	0
	Capital reserve (aligned)	**(4,381,730)**
	Aligned equity (under Section 114/B of Accounting Act)	**3,840,707**
	Subscribed capital	**166,061**
	Subscribed but not paid capital	**0**
	Capital reserve	**(4,381,730)**
	Accumulated profit reserve	**0**
	Committed reserve	**0**
	Revaluation reserve	**0**
	Profit/loss after tax for current year	**707,084**
	Accumulated profit reserve available for dividend payment (According to Section 114/B (5) (b) of the Accounting Act)	

Accumulated profit reserve (aligned)	0
Profit/loss after tax for current year	(707,084)
Increase in the value of the properties with investment purposes(adjusted with tax effect)	0
Accumulated profit reserve available for dividend payment	**707,084**

There is no source available for dividend payment.

40. Contingent liabilities and contingent assets

Apart from contingent liabilities arising from litigation (see Note 43), there is no liability that would not be recognised in the Company's financial statements on the grounds that its occurrence would depend on a future event.

The Company has already filed several litigation cases seeking to enforce its contractual claims. Many of these litigations are still pending or have not been concluded by a final judgement when the financial statements were authorized for disclosure. See paragraph 43 of the notes for more detailed information on the size of the litigated claim. The Company recognises these receivables as contingent receivables. These could not yet be shown in the balance sheet.

41. Events after balance sheet date: general disclosures

The most significant events between the balance sheet date and the date when the financial statements were authorized for issue were as follows:

1. The following lawsuit ended in the second instance with the company’s win:

Petitioner	Alperes	Subject of the litigation
ENEFI Energy Efficiency Plc	Szilágy County Finance	Objection to the second seizure report of the land in Zalău.

The decision is final.

By the above decision, the court upheld the Company's objection to the second seizure report issued for RON 7,602,338, which was annulled along with all enforcement proceedings initiated under it.

2. The Company's affiliated company in Gheorgheni, E-Star CDR SRL (CDR) won the following lawsuit in the first instance:

Petitioner	Defendant	Subject of the litigation
E-Star CDR SRL	The City of Gheorgheni	The lawsuit separated from the damages lawsuit, the subject of which is the receivable of RON 447,454,13 + interest on the unrealized income from the district heating price difference.

The decision is not final.

3. The following lawsuits were won in the second instance by the Company and its affiliate in Gheorgheni, E-Star CDR SRL (CDR):

Petitioner	Defendant	Subject of the litigation
*E-Star CDR SRL	The City of Gheorgheni	Appeal against Council Resolution 243/13.12.2016
ENEFI Energy Efficiency Plc	Maros county Finance	Objection against the refusal of a complaint by the Company regarding the minutes for the establishment of the second insolvency proceeding by the Finance Dep. against the Company's tax premise. Claim of Financial Authority: RON 7,602,324 tax liability.

* In its decision made without a hearing and published on its website, the Târgu Mureș Court of Appeal rejected the appeal of the Municipality of Gheorgheni, and thus the first-instance decision of the Miercurea Ciuc Regional Court became final, approving the claim of CDR and annulling the contested articles of Council Resolution 243/2016.12.13 of the Municipality of Gheorgheni under which the City compelled CDR to continue to provide the service under ineffective legal provisions.

** According the decision of the Romanian Supreme Court, made without a hearing and published on its website, ENEFI won the lawsuit the subject of which was an objection against the tax liability of RON 7,602,324 levied on the Company's office taxable in Romania. The Court of Appeal dismissed the appeal brought by the Romanian Finance Authority against the first-instance decision approving the Company’s claim.

The RON 7.6 million unjustified claim was made by the Finance Authority against the Company in 2013 after it had not lodged its previous claim of RON 2.2 million in the bankruptcy procedure, reason why it was rejected. After that, it did not lodge its unjustified claim of RON 7.6 million in the bankruptcy procedure, either. Since 2013, the Finance Authority has tried to enforce the above amount against the Company in several proceedings, the unfoundedness of which has now been ruled on finally by the court.

4. According to the decision of the Târgu Mures Court of Appeal made without a hearing on 05.01.2021 and published on its website, the appeals submitted by both parties were rejected in the repeated proceedings of the lawsuit for damages initiated by E-Star Mures Energy SA (in liquidation, ”Mures”) against the Municipality of Târgu Mures. The judgment is final and enforceable.

As a result of the foregoing, the previous decision made by the Mures County Tribunal shall remain in force which partially approved the claim of E-Star Mures Energy SA and obliged the Municipality to pay the following: RON 16,074,170.33 (i.e. EUR 3,299,456.04) as follows:

1. Non-depreciated amount of investments amounting to RON 3,527,038.56 and the corresponding default interest amounting to RON 322,895.49.
2. Concession fee of RON 7,736,491 and the corresponding default interest amounting to RON 466,553.39.
3. Distant heating subsidy of RON 2,656,318 and the corresponding default interest amounting to RON 498,991.60.
4. Institutional district heating consumption of RON 707,425.64 and the corresponding default interest amounting to RON 158,456.65.

Furthermore RON 20,000 as costs of litigation.

The Company does not completely agree with the decision since the non-depreciated amounts of investments were set at RON 8,154,628.56 taking the specialist opinions into consideration and the court of justice completely refused the compensation and interests of RON 49,645,937 which is clearly due to Mures on the basis of the concession agreement according to the viewpoint of the Company, furthermore the above amounts do not cover the default interests due for the above amounts from the date of initiating the lawsuit (2013) until the payment thereof.

The Company will investigate the possibility of further legal remedies, including the possible enforcement of the claim before an international court, and if the City fails to comply with its obligation stipulated in the reasoned judgment, it will initiate the enforcement of the awarded amount.

42. Major economic events

Significant economic events of the year 2021, evaluation:

1.On 22 October 2021, the Company sold its property located in H-1138 Budapest, Meder utca 8, Building B, floor -1, with an area of 3107 m2, designated "garage", and the pertaining premises.

2. On 17 November 2021, the Company sold the shop premises located in H-1138 Budapest, Meder utca 8, Building B, ground level, with a total area of 489 sqm and pertaining premises.

3 On 16 November 2021, the Company sold its property located in H-8646 Balatonfenyves Mária utca 33-34, with an area of 1.0445 ha.

4 On 19 November 2021, the Company sold its LNG and CNG Autogas filling station facility located on the 19th kilometer section of the M0 motorway, with lot number 0179/12 and an area of 1,7766 m2. Ownership will be transferred upon effect of the payment of the full purchase price in 2022.

5 The registered office of the Company has changed, this was registered by the court of registration on 27.10.2021 with effect from 22.10.2021. The new registered office of the Company: H-1039 Budapest, Pünkösdfürdő utca 52. 4.em. 413.

6 The 54 dematerialized Random Capital ordinary shares owned by the Group with ISIN code HU0000115183 were sold on 01.09.2021. The sale price of the block of shares was HUF 139,019 thousand. 30% of the sale price is withheld by the buyer as guarantee, this amount will be settled later. The net asset value of Random Capital Zrt. at the time of acquisition was equal to their fair value.

Significant economic events of the year 2020, evaluation:

1. Based on the decision of the General Meeting, the Company increased its capital in 2019 from non-cash capital contributions.

The object of the in-kind contributions was in all cases receivables, these receivables were generated from the consideration for equity elements or shareholdings acquired by the Company as part of sale and purchase. Ownership of the transferred assets was transferred to the Company upon the effective registration of the capital increase, which was published on 9 January 2020 (published by the Court of Registration: 01.14.2020 Until the date of the transfer, the Company could not collect the benefits of the assets, could not make decisions, did not exercise control over the legal entities, therefore from an accounting point of view the effective date of the capital increase was 9 January 2020, and the transactions only had effect in 2020.

As a result of the in-kind capital contributions, the following assets were definitively transferred to the Company:

- 100% shareholding in Síaréna Kft.;
- loan receivable from Síaréna Kft.;
- a plot of land in Balatonfenyves as an investment property;
- several business premises/office properties in Budapest and the pertaining garages as investment properties;
- 9,94% block of shares in Random Capital Zrt.

Given that ownership of the assets will be transferred to the Company in January 2020, the assets will have an effective impact for the first time on the standalone and consolidated financial statements for the financial year 2020.

The acquisition of the receivable and via that the assets happenned ultimately in exchange for shares, therefore the fair value of the shares valid on the effective date of the acquisition shall be considered as the purchase price of the transaction.

2. An amendment to the share capital and company name was registered by the court of registration. The name of the Company was changed as follows in accordance with the decision of the General Meeting:

Company name: ENEFI Energy Efficiency Plc
The English name of the company: ENEFI Asset Management Plc.
Share capital of the joint stock company: 166,061,090 HUF (i.e. one hundred and sixty-six million sixty-one thousand and ninety forints).

Composition of the Company's share capital:

Tranch of shares	ISIN	Nominal value (Ft/piece)	Number of issued shares	Nominal value (Ft/piece)
ORDINARY SHARES	HU0000089198	10	7,500,000	75,000,000
ORDINARY SHARES (Not yet listed)	HU0000173729	10	3,650,000	36,500,000
Convertible dividend preference share (Not yet listed)	HU0000173737	10	5,456,109	54,561,090
Size of the share capital	-	-	16,606,109	166,061,090

Number of voting rights attached to the shares:

Tranch of shares	Number of issued shares	Shares with voting rights	Voting rights per share	Total voting rights	Number of treasury shares*
ORDINARY SHARES	7,500,000	7,500,000	1	7,500,000	531,041
ORDINARY SHARES (Not yet listed)	3,650,000	3,650,000	1	3,650,000	1,613,000
Convertible dividend preference share (Not yet listed)	5,456,109	0	0	0	0
Total:	16,606,109	11,150,000	1	11,150,000	2,144,041

* Number of treasury shares (1,613,000) and shares in the Company's affiliates (531,041).

3 The Company purchased the only LNG/LCNG filling station in Hungary, located next to the M0 motorway, from Pannon Fuel Kft. At the same time, the Company informs its Investors that its loan receivable from Pannon Fuel Kft. has been repaid in full.

4 Ski43 Program Nonprofit Zrt. (formerly known as: E-Star Management Zrt.), owned by the Company, has launched a large-scale nationwide program called Ski43 Program together with Síaréna Kft., as part of which ski and snowboard lessons may become available free of charge for approximately twenty thousand pupils in Eplény.

43. Litigation cases

HUNGARY

Plaintiff	Alperes	Matter in dispute
EETEK LTD	Magyar Nemzeti Bank	Revision of an administrative decision

ROMANIA

Item no.	Plaintiff	Alperes	Matter in dispute
1.	E-Star Mures Energy SA	**37** owners' association members	Validation of blocking
2.	E-Star Mures Energy SA		Filing of a bankruptcy protection application on 08.02.2013
3.	E-Star Mures Energy SA	Municipality of Târgu Mureș	Default interest on damages awarded for breach of the concession agreement, as follows: 1. RON 6,449,584,01 – statutory default interest calculated for the concession fee between 10.05.2013 and 26.05.2021. 2. RON 3,848,677,29 – contractual default interest calculated for the district heating subsidy for the period between 10.05.2013 and 26.05.2021. 3. RON 831,366,61 – contractual default interest calculated for the district heating consumption for the period between 10.05.2013 and 26.05.2021. 4. RON 2,933,940,45 – statutory default interest calculated for the unamortized investment consisting of reimbursable assets between 10.05.2013 and 26.05.2021. 5. In addition to the above amounts, the calculation and claim of default interest until the full payment of the principal debts. 6. Update the above amounts with the inflation rate
4.	E-Star CDR SRL	**247** residential consumers	payment of fees under the consumer contracts
5.	E-Star CDR SRL	The City of Gheorgheni	Lawsuit for the determination of the amount of damages. The lawsuit separated from the damages lawsuit, the subject of which is the receivable of RON 3,071,101,56 + interest on the repayment of the concession fee.
6.	E-Star CDR SRL	The City of Gheorgheni	Separated from the lawsuit for damages relating to damages for the investment stated in the underlying lawsuit for damages: RON 100,707,289 + related claims + 15% of the annual internal rate of return for the entire contracted period
7.	Szilágy County Finance Intervener: ENEFI Energy Efficiency Plc	Municipality of Zilah	- challenging the public interest expropriation price of a 623 m2 land

8.	ENEFI Energy Efficiency Plc	Finance	Cancellation of receivables still registered by the Finance Authority against ENEFI

44. Dividends to the Company's owners

No dividends were paid to owners of the Company or declared in 2021. Management cannot propose the establishment of dividends at the general meeting approving the financial statements for the business year 2021.

45. I. Numerical parts of the financial statements

The Company’s management authorised the disclosure of the financial statements in this form on 6 April 2022.

Budapest, 6 April 2022

The ENEFI Energy Efficiency Plc

Csaba Soós	Ferenc Virág	László Bálint
Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors

ANNUAL REPORT OF THE BOARD OF DIRECTORS

on the management of the Company, the financial position and business policy of the Company

and

to the annual standalone financial statements of the Company as at 31 December 2021

Budapest, 06.04.2022.

Purpose of data processing:

The purpose of this report is to evaluate the data of the annual financial statements of ENEFI Vagyonkezelő Nyrt. (hereinafter: "Company", or "Contractor" or "ENEFI" or "Issuer") and thereby present its asset, financial and income position, including the main risks and uncertainties arising in the course of the contractor's activities, in order to give a true and fair view of them corresponding to the actual circumstances, based on past and expected future facts.

I.

ENEFI Energy Efficiency Plc

1. Basic details of the Company, composition of the subscribed capital:

Basic details of the Company

Company name: ENEFI Energy Efficiency Plc
The English name of the company: ENEFI Asset Management Plc.
PANOSYS Kft. (head office: (company registration number: 01-10-045428; registered seat: 1039 Budapest, Pünkösdfürdő u. 52. 4. emelet 413.) („Company") 52. 4. emelt 413.
Branch Office: 8413 Eplény, Veszprémi u. 66 6.B. building.
Tax number: 13719069-2-41
Registered office and postal address: Hungary
Telephone number: 06-1- 279-3550
Fax: 06-1- 279-3551
Governing law: Hungarian
Stock exchange introduction: Budapest Stock Exchange
Warsaw Stock Exchange
Form of operation: public company limited by shares

Legal predecessors of the company, changes in the company form

The Company was established as a limited liability company, then transformed into a private limited company and subsequently into a public limited company as follows:

Síaréna Korlátolt Felelősségű Társaság
Date of formation: 05.17.2000
Date of post: 06.29.2000
Expiration date: 06.12.2006

Regional Development Company Private Company Limited by Shares (Regionális Fejlesztési Vállalat Zártkörűen Működő Részvénytársaság)
Date of post: 06.12.2006

(Regionális Fejlesztési Vállalat Zártkörűen Működő Részvénytársaság) RFV Regional Development, Investor, Producer and Service Public Limited Company
Date of change: 03.12.2007

The shares were listed on the Budapest Stock Exchange on 29 May 2007.

(E-STAR Alternatív Energiaszolgáltató Nyrt.) E-STAR Alternative Energy Service Plc.

Date of change: 02.17.2011
Registration Date: 03.04.2011

ENEFI Energy Efficiency Plc. (ENEFI Energiahatékonysági Nyrt.)
Date of change: 12.09.2013
Registration Date: 12.17.2013

ENEFI Energy Efficiency Plc
Date of change: 29/11/2019
Registration date: 09/01/2020Publication date: 01.14.2020

Duration of the Company's operation

The Company was established for an indefinite period of time.

Share capital of the Company

Share capital of the joint stock company: HUF 166,061,090 (i.e. one hundred and sixty-six million sixty-one thousand and ninety forints).

Shares of the Company

The share capital consists of 11,150,000 registered, dematerialised ordinary shares with a nominal value of HUF 10 (Series A) and 5,456,109 registered, dematerialised, convertible dividend preference shares with a nominal value of HUF 10 (Series H). The total number of shares issued by the company is as follows: 16,606,109 pcs.

Composition of share capital, significant shareholders on the balance sheet date:

Tranche of shares (BSE)	**ISIN**	**Nominal value (Ft/piece)**	**Number of issued shares**	**Nominal value (Ft/piece)**
ORDINARY SHARES	HU0000089198	10	11,150,000	111,500,000
Convertible dividend preference share	HU0000173737	10	5,456,109	54,561,090
Size of the share capital	-	-	16,606,109	166,061,090

The shares are associated with the rights and obligations set forth in the law and the Company's Articles of Association.

<u>2. Transfer of issued shares representing the subscribed capital:</u>

The rules for the transfer of shares are set out in the Hungarian Civil code, the Capital Markets Act and the Articles of Association of the Company. The Articles of Association of the Company do not stipulate any provision or restrictions other than the law.

3. Shares issued that have special control rights attached:

The Company has not issued such shares.

4. Governance mechanism required by the employee shareholding plan in which governance rights are not exercised directly by employees:

The Company does not have such a shareholding plan.

5. Restrictions on voting rights

At the request of the Board of Directors, shareholders registered in the share register (custodian, shareholder's proxy, joint representative in the case of jointly owned shares) must immediately declare the degree of their influence they have in the company as beneficial owners. If the shareholder does not comply with such instruction within the required deadline, his rights shall be suspended until he complies with his obligation to provide the information.

The Articles of Association and other regulations of the Company do not contain any other provisions deviating from the law regarding the restriction of voting rights. The convertible dividend preference share does not carry any voting rights.

6. The expectation of the owner Client:
The Company is not aware of any arrangement between the owners that may result in a restriction on the transfer of issued shares or voting rights.

7 Rules for the appointment and removal of senior executives and for the amendment of the articles of association:
The main body of the Company, the General Meeting, adopts resolutions by a simple majority of the votes cast, unless a higher proportion of votes is required by law or its authorisation or stock exchange regulations whose application is mandatory in the company’s operations.

8. Powers of senior executives, in particular powers to issue and repurchase shares:
According to the Company's Articles of Association:

> *7 “The Board of Directors is entitled to make decisions regarding the change of the name, registered office (branch, local office), scope of activities (except for the main activity) of the company and to amend the articles of association in connection with this.”*

The General Meeting may authorise the Board of Directors to increase the share capital of the Company and to make the related decisions.

„VI/1. The General Meeting authorises the Board of Directors to make all decisions regarding the conversion of convertible dividend preference shares into ordinary shares. The authorisation applies to the amendment of the Articles of Association in connection with the conversion and to the adoption of all related decisions that otherwise fall within the powers of the General Meeting. The authorisation applies to the one-to-one conversion of all convertible dividend preference shares issued by the company, in whole or in part, into ordinary shares, as part of one or more resolutions without any time limit.”

9. Agreement in the case of a public takeover bid:
There is no material agreement entered into with the participation of the Company that enters into force, is amended or terminated due to a change in the management of the Company following a public takeover bid.

(10) Agreement between the company and its employees:
There is no agreement between the Company and its senior executives or employees that stipulates compensation in the event that the senior executive resigns, or the employee quits, or the legal relationship between the senior executive and the employee is unlawfully terminated, or the legal relationship is terminated due to a public takeover bid.

11 The members of the Company’s Board of Directors during the reporting period:

Board of Directors	Position
Csaba Soós	Board of Directors’
Ferenc Virág	Board of Directors
László Bálint	Board of Directors

The management body of the Company is the Board of Directors, which exercises its rights and obligations as a body according to the provisions of the Hungarian Civil Code and other applicable laws. It falls within the duties and powers of the Board of Directors to adopt all resolutions that do not fall within the competence of the General Meeting or any other body by law or according to an authorisation in the Articles of Association. The operation, duties and powers of the Board of Directors are regulated by the Hungarian Civil Code and the rules of procedure of the Board of Directors.

The members of the Board of Directors are elected by the General Meeting for a fixed or indefinite term. Based on the authorisation of the General Meeting, the Board of Directors is entitled to authorise the operation of committees, advisory and other bodies to assist the decision-making.

12 The Supervisory Board of the Company:

The Supervisory Board of the Company is regularly informed about significant events that have occurred in the Company, participates in the process of preparing and auditing the financial statements, then approves them and prepares a report on them. Members of the Supervisory Board:

FB tag neve	Beosztása
Siska Miklós László	FB tag
Bakacsi Gyula	FB tag
Kerekes Imre	FB tag

The Supervisory Board supervises the management of the Company for the main decision-making body of the company. In this context, it may request information from senior executives and inspect the books and records of the Company. The Supervisory Board acts as a three-member body and elects a chairman from among its members.

The duties and powers, organization and operation of the Supervisory Board are governed by the Hungarian Civil Code and its rules of procedure, as applicable. The term of office of the members of the Supervisory Board is for an indefinite period.

(13) The Audit Committee of the Company:

The limited company has a three-member Audit Committee.

AB tag neve	Beosztása
Siska Miklós László	AB tag
Bakacsi Gyula	AB tag
Kerekes Imre	AB tag

The duties and powers of the Audit Committee include everything that is referred to its powers by law or, based on its authorisation, by the deed of establishment. The Audit Committee elects its chairman from among its members, and makes its decisions by a simple verbal majority.

(14) Auditor of the Company:

The task of the elected auditor of the Company is to ensure the performance of the audit specified in the Accounting Act, and in the course of this, to establish, above all, whether the financial statements of the company in accordance with the Accounting Act comply with the law, and whether they give a true and fair view of the asset, financial and income position of the Company and the results of its operations.

Name	UNIKONTO Számvitelkutatási Kft.

PANOSYS Kft. (head office:	H-1092 Budapest, Fővám tér 8. 3. em. 317/3.
Company registration number:	Cg.01-09-073167
Auditor registration number:	001724
Natural person responsible for the audit:	
Name	Dr. LÁSZLÓ PÉTER LAKATOS
Home address: 1022 Budapest, Klapka utca 31.	
Mother's maiden name:	Mária Terézia Gubi
Auditor licence number:	007102II.

II.

1. Business environment and development of the business, comprehensive analysis of the Company's performance and position, the Company's business policy:

Operation and main activities of the Issuer (broken down by 2020-2021)

2020

The Issuer continued its thermal energy service business (as part of the branch of the accepted strategic basic pillar) and the activity of the Issuer was also completed with the asset elements, which had contributed to the revenues in 2020. An amendment to the share capital and company name was registered by the court of registration on 09.01.2020. Share capital of the joint stock company: 166,061,090 - Ft. The share capital consists of 11,150,000 registered, dematerialised ordinary shares with a nominal value of HUF 10 (Series A) * and 5,456,109 registered, dematerialised, convertible dividend preference shares with a nominal value of HUF 10 (Series H). Company name: ENEFI Energy Efficiency Plc ENEFI Asset Management Plc. The shares from the Capital Increase were generated by KELER Zrt. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB refused to approve the prospectus prepared for the listing of the shares presented above to the regulated market and terminated the licencing procedures on 06.08.2020. The Company will repeat the submission and approval of the prospectus.

Ferencz Bálint resigned from his position as a member of the Supervisory and Audit Committees of the Company by 09. 08. 2020. due to his other occupations.

The Issuer accepted the Strategy currently in force in June 2019 with which it intends to put the Issuer on the way of growth again according to the contents thereof.

According to the new Strategy of the Issuer, the Issuer intends to shift its main activity towards asset management.

2021

The activity of the Issuer in the entire year 2021 was based on the asset management structure divided to Pillars fitting in the strategy announced as asset management. The Issuer continued its thermal energy service business branch providing ESCO revenues. The amount decreased further and it is expected to finally end iin 2024. Most of the asset elements n the Pillars of the asset management branch were taken out of the group and the change of these asset elements are included in the following division according to the Pillars. An amendment to the share capital and company name was registered by the court of registration on 09.01.2020. Share capital of the joint stock company: 166,061,090 - Ft. The share capital consists of 11,150,000 registered, dematerialised ordinary shares with a nominal value of HUF 10 (Series A) * and 5,456,109 registered, dematerialised, convertible dividend preference shares with a nominal value of HUF 10 (Series H). Company name: ENEFI Energy Efficiency Plc ENEFI Asset Management Plc. The shares from the Capital Increase were generated by

KELER Zrt. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB approved the listing of the shares presented above to the regulated marketin 2021.

The General Meeting of Enefi Asset Management Plc. elected Dr. Piroska Paksi to be member of the Board of Directors from 09.07.2021. who held this position until 14.02.2022.

András Zoltán Petykó, member of the Board of Directors resigned from his membership on 17.11.2021.

Business environment of the Company

The Budapest-based Group of Companies consists of companies present in Hungary and Romania, whose main activities are heat production and services.

ENEFI sold its Polish operation in 2016, no longer operates a project in Romania, and enforces its claims in court.

Presentation of business activity by field of activity

The Company's sales revenue comes from the following main activities:

Strategy: Pillar, Energy efficiency

Heat supply with modernization of heating

Local governments and state institutions often implement the heating of their institutions in a wasteful manner, using outdated heating systems. In addition, outdated systems are becoming more and more difficult to maintain and lead to ever-increasing maintenance costs. Possible equipment failures can lead to significant - and unplanned - investments. Due to the scarce resources of local governments, the investment may only be realised through borrowing, thus further deteriorating their borrowing capacity. Following an individual survey of customers' buildings and a preliminary needs assessment with customers, the Company prepares a package of offers in this business line, which includes a proposal for the solution of heat supply at a higher level in the long run. Following the signing of a contract, the Company carries out the energy modernisation prepared in the impact study prepared during the survey as its own investment, without the involvement of the customer's own resources, and then provides long-term (10-25 years) heat services through the upgraded energy system, which includes operation and maintenance. tasks. Depending on individual needs, the modernization may include boiler replacement, making heat use controllable and measurable (converting heating systems to multi-circuit, installing thermostats, installing a heat pump, etc.). The Company obtains the additional factors necessary for the provision of heat supply (e.g. boiler house rental, electricity, water, etc.) partly from customers. The Company procures the equipment mostly from the domestic representatives of global companies (e.g. in the case of boilers, these companies mainly are Viessmann, Buderus, Hoval, etc.), who usually also carry out the installation and construction tasks. The Company also enters into long-term contracts with a local subcontractor for the maintenance of the assets. Upgrading - under the same conditions - results in significant energy cost savings of up to 40-50%. In order to provide heat supply, the Company generally uses gas-operated equipment. Instead of the previous direct “gas supplier – local government” relationship, the Company buys gas and supplies heat to customers in the “gas supplier (gas trader) - Company” relationship. Customers use the heating service at a lower cost while their heating system is upgraded. The customer pays a basic or service fee and, in addition, a fee in proportion to their consumption, according to a pre-fixed formula. The Company adjusts the unit price of the heat service to the gas price billed by the regional public utility gas supplier.

The Company has not entered into any new heat supply contracts in recent years; however, it still has seven contracts in progress, the last of which will expire in 2024. After 2024, the Company does not plan any additional revenue from the heat services business.

Based on strategy: Real pillar, tourism

Brief description of Síaréna Kft.

Date of acquisition: 01.09.2020
The expectation of the owner Client: 100 per cent shareholding, full consolidation

Its main activity is the operation of the Eplény ski resort. By operating the run, it is active in the following business lines: – operation of ski runs and ski lifts (sale of ski passes) – rental of ski equipment – ski lessons – hospitality (catering). Thanks to the continuous developments and investments, the Síaréna of Eplény is the largest and most modern ski resort in Hungary. There are more than 7 kilometres of ski slopes in Eplény, a significant part of which (4 km) consists of sections marked in blue. The blue tracks can be used even after dark thanks to the track lighting. The snow safety of the slopes is ensured by the snow production system. High-performance pumps deliver water from reservoirs with a total capacity of more than 17,000 cubic meters to the ski runs, where the 51 snow cannons of Síaréna convert it into snow. The total snow production capacity of the system is 600 cubic metres/hour. This huge snow-making performance allows for an average of 90-100 days of ski seasons. Winter guest traffic is somewhere between 40 and 60 thousand, depending on the length of the seasons. This is the number of registered ticket purchases that does not include the significant number of attendants. Education and lending is a dynamically developing business. The gross sales revenue of the ski seasons varies between HUF 500 and 600 million. According to our plans, we will further develop the capacity available for education (elevator, area, rental equipment), so with this manoeuvrer, it will be possible to utilise better the capacity of working day operations. We also plan a significant price increase in the coming years. Thus, through capacity expansion and price increases, gross sales revenue may exceed HUF 600 million. The facility operates in four seasons. Usually, the closing weekend of the ski season is the start of the chairlift season, which lasts until November, ensuring year-round operation. The number of tourists visiting the cable car is increasing greatly year by year. Four-season operation is in place but the high season can consist of December, January, February, and the first half of March (depending on the weather). The Company is working to extend the high season to four seasons. The year-round operation also has a stimulating effect on the number of employees. The larger the permanent staff, the more stable the operation of the processes. Through dynamic development and high publicity, the range of our supporters is expanding year by year. The ski resort usually hosts large-scale events such as: Spartan Race, Downhill országos bajnokság, World Snow Day. Due to the events and the special snow-making activity, we have an extremely significant presence in the national media. More information can be found on our website: http://siarena.hu/

Based on strategy: Real Pillar, property

Brief description of 8. Meder Street

Date of acquisition: 09.01.2020. (registration at the company registration court)
Form of ownership: direct (owned) real estate ownership

The business premises located in H-1138 Budapest, Meder utca 8. Building B, ground floor, with lot numbers 25910/2/A/198, 25910/2/A/199 and 25910/2/A/200, as well as garages (ownership ratio of 1400/12800 of a property registered with lot number 25910/2/A/128 and physically located in H-1138

Budapest, Meder utca 8, floor -1, designated as garage, with a 3107 m2 floor area, which physically ensures the use of 14 car parking spaces). Approximately 500 sqm of ground floor office space and 14 garages, which are assigned to the use of the office. The offices operate at 100 percent occupancy, with two Companies renting the property. The property on Meder utca was sold by the Company in November 2021.

Based on strategy: Real Pillar, property

Description of building plot in Balatonfenyves

Date of acquisition: 09.01.2020. (registration at the company registration court)
Form of ownership: direct (owned) real estate ownership

Balatonfenyves, urban area, lot number 987/5, 1,0445 hectares, uncultivated property designated as residential house and yard, actually located in H-8649 Balatonfenyves, Mária utca 33-34. The issuer purchased the property for real estate development purposes, but the development itself has not yet commenced. In November 2021, the Company sold the property.

Based on strategy:

Brief description of Random Capital Zrt.

Date of acquisition: 09.01.2020. (registration at the company registration court)
Form of ownership: investment, shareholding (9.46 per cent of total issued shares), no consolidation,

Random Capital Zrt. is an investment company seated in Hungary and with a Hungarian ownership, the activity of which is supervised and licensed by the Magyar Nemzeti Bank. The Company was established in 2008, acquired membership at the Budapest Stock Exchange in 2009, is a member of the BSZSZ (Association of Investment Service Providers), and its activities focus on serving the Hungarian retail segment, which essentially means the “intermediation” of stock exchange transactions. Public information about the Company: www.randomcapital.hu. The Company sold its shares in Random Capital Zrt. in 2021. The transaction is closed but it has not been completely accounted financially (withheld purchase price).

Based on strategy (currently): Real Pillar, property

5. Acquisition of LNG/LCNG filling station

Date of acquisition: 11.27.2020
Form of ownership: direct ownership

The Issuer purchased the only LNG/LCNG filling station in Hungary, located next to the M0 motorway, from Pannon Fuel Kft., and informed its investors of this in an extraordinary announcement. The filling station was not utilised by the Issuer, in the absence of a licence it was operated by Pannon Fuel Kft. The issuer announced on 16.11.2021 that it was continuing negotiations about the sales of the filling station. The filling station was sold on 07.02.2022. The Company had not used the filling station before it was sold and it was operated by Pannon Fuel Kft in absence of licence.

Main markets
Geographical area of ENEFI

As a result of active business: Hungary
Discontinued operations Hungary

The most important services (business lines) of the group as a whole

Based on the announced strategy, these are the following active operations, together with consolidation:

1. ENEFI Energy Efficiency Plc. (ENEFI Energiahatékonysági Nyrt.)
2. Tourism
3. Property

Management, purpose and strategy of the Company

One of the first tasks of the newly elected Board of Directors of the Company was to define and communicate to the Shareholders its short- and medium-term objectives for the Company: https://www.bet.hu/newkibdata/120976438/K_zlem_ny_IG_c_lkit_z_sek.pdf In the meantime, the Board of Directors of the Company amended its previously published strategy, which was approved by the General Meeting held on 22 March 2019 (https://www.bet.hu/newkibdata/128180467/K_ZGY_L_SI_HAT_ROZATOK_03.22..pdf).
In 2019, the Issuer adopted its new uniform Strategy (https://bet.hu/newkibdata/128254583/ENEFI_Strat_gia.pdf).

Main resources of the Company

Human resources

Number of direct employees of ENEFI Nyrt.: 12 people (RFV, SKI43, Romanian and Hungarian ENEFI operations)
Síaréna Kft. 42 people (average value, 264 people during high season)

Financial resources

1. Own funds from continuing operations
2. Liabilities from own funds
3. Credit
4. Cash equivalent of fixed assets (e.g. treasury shares with sale restrictions (liquidity, rights, etc.))
5. Cash recovery from lawsuits won

The Company can cover the financing of the operation from its revenues. Starting new projects required due care and weighing risks. The customer base (local governments and their institutions) carry the possibility of the risk of non-payment. At the moment, the entire Hungarian operation takes place without the use of bank financing. If the capital requirements of the newly launched projects exceed the available resources, the Company may need external financing.

Risk factors

The detailed presentation of the risk factors can be found in the Company's previously published Combined Prospectus (pages 22–37), available here: http://bet.hu/newkibdata/115693892/T_j_koztat_.pdf

Earnings obtained during the reporting period and outlook

The Company's sales revenue from heat supply decreased further in 2021; only the increase in the price of public utility fees recharged caused an increase in sales revenue. While the filling station construction project won for MAHART did not generate any significant sales revenue:

	31.12.2021 year ending with audited	**on 31.12.2020 year ending with audited**
Revenue	379,522	713,394
Direct costs	241,648	486,782
Gross profit	137,874	226,612
Material-type expenditures	8,322	(3,691)
Personnel expenditures	(109,133)	96,015
Reserve for share-based	0	0
Server provider	(183,426)	(178,369)
Other income/expenditure (-)	41,200	45,135
Operating expenses	**(121,807)**	**(6,328)**
Depreciation	47,738	(30,316)
Other financial expenses, income	(536 243)	771,174
Profit before tax	**705,788**	**734,530**
Income tax	(1,296)	4,459

Ne profit/loss of discontinued operation	**707,084**	**730,071**
Discontinued operations		
Ne profit/loss of discontinued operation	0	0
Ne profit/loss of discontinued operation	**0.**	**0.**
Other comprehensive income		0
Total comprehensive income	**707,084**	**730,071**

	31.12.2021 year ending with	**on 31.12.2020 year ending with**
Heat sale	225,857	129,224
Lease	132,563	208,522
Revenue from construction of a filling station	9,036	367,518
Income of other operations	12,066	8,130
Total	**379,522**	**713,394**

Revenue includes only yields relating to the entity's principal activity.

Leases include revenue from contracts within the scope of IFRIC 12.

With the exception of accounting for accruals , invoicing was easy to follow in the accounting for the revenue, since the nature of the services does not require adjustment between the further periods.

The introduction of IFRS 15 Revenue from Contracts with Customers as of 1 January 2018 did not affect the Company's revenue, as the Company derives revenue from the service charge for the concession assets rented to municipalities, which is recognized in accordance with IFRIC 12 and does not result in a revenue adjustment difference.

On behalf of MAHART, the Group will establish a filling station based on a tender won in a public procurement procedure. The construction of the filling station is based on the customer's guidelines, the created output (filling station) is controlled by the customer. Therefore, revenue should be recognised on a pro rata basis (over time) for this project.

The degree of completion (PTC) is determined by the Group in proportion to the planned and actual costs. During this period, the Group concluded that there is a significant chance that revenue would be reversed on a pro rata basis, as the Group has no significant experience with such and similar contracts and contract amendments are currently in progress (IFRS15.57). Based on its estimates, the Group is reasonably certain that the costs incurred will be recovered, so it has estimated the revenue in the same amount as the costs incurred.

The Company recognised an impairment loss of HUF 490.7 million on the Síaréna Kft. investment, the detailed description of which is provided in the consolidated financial statements for 2021. The Company reports the impairment among other financial expenses.

Outlook:

Acquisition of new assets in accordance with ENEFI Nyrt's asset management strategy. An opportunity for direct value creation, revenue potential and potential cash flow in dividends.

Project opportunities that may be accomplished individually, as the intellectual potential of the Company's senior management.

In the meantime, the Company's energy efficiency ESCO contracts and the resulting sales revenue will continue to decline until 2024.

The Company expects to win more lawsuits as a result of announced litigation. At the same time, it has been proven several times over the past two years that recovery from ongoing lawsuits is a real potential.

Quantitative and qualitative ratios and indicators of performance measurement

Name of Service	Budapest, 06.04.2022.	Budapest, 06.04.2022.
Fixed asset ratio (fixed assets / balance sheet total)	57,00%	72,20%
Debt ratio (debt / liabilities)	52,79%	51,23%
Return on sales (earnings before tax / net sales revenue)	185,97%	102,96%
Return on equity (earnings before tax / equity)	18,41%	16,15%
Liquidity ratio I (current assets / current liabilities)	88,20%	51,25%
Acid test ratio (cash / current liabilities)	8,55%	6,90%

Detailed presentation of the Company's asset position

A detailed presentation of the Company's asset position is provided in its annual financial statements submitted with this report, and, at the group level, in its annual consolidated financial statements.

The Company draws attention to the fact that, as a public listed company, it discloses all significant events related to the Company on its website (www.e-star.hu, www.enefi.hu), as well as on the websites operated by the Budapest Stock Exchange (www.bet.hu) and Magyar Nemzeti Bank (www.kozzetetelek.hu).

Significant economic events and evaluation of the year 2021

The major economic events for ENEFI in 2021 were presented in detail in its announcements for the current year.

The Company draws attention to the fact that, as a public listed company, it discloses all significant events related to ENEFI in the form of an announcement, which can be found on its website (www.e-star.hu, www.enefi.hu), as well as on the websites operated by the Budapest Stock Exchange (www.bet.hu) and Magyar Nemzeti Bank (www.kozzetetelek.hu).

2. Material events and processes of particular significance occurred after the balance sheet date:

The major economic events for ENEFI in 2022 were presented in detail in its announcements for the current year.

The Company draws attention to the fact that, as a public listed company, it discloses all significant events related to E-Star in the form of an announcement, which can be found on its website (www.e-star.hu, www.enefi.hu), as well as on the websites operated by the Budapest Stock Exchange (www.bet.hu) and Magyar Nemzeti Bank (www.kozzetetelek.hu).

3. Expected development (known and expected development of the economic environment, depending on the expected impact of internal decisions):

In the near future, the Group is committed to meeting its previously announced strategic objectives.

4. Areas of research and experimental development:

The group did not perform such activities in 2021 and does not plan to do so in the future.

5. Local sites:

The group did not establish any new site or branch in 2021.

6. Employment policy:

According to the Group's employment policy, it operates its headquarters in a “knowledge-based” manner, typically with highly qualified white-collar staff. It employs the experts needed for the investments made by the Group in the course of its operations as part of subcontractor agreements.

With the acquisition of the ownership of Síaréna Kft., the Group has an employment policy typical of Síaréna, which is based on the established rules regarding permanent staff and seasonal employees.

7 Environmental protection:

The Group pays special attention to environmental protection in its business and operational activities. The main business activity of the Group is modern energy supply realised through energy investments, which, in addition to being a source of revenue for the Group, protects the environment from significant pollution and energy consumption. In its previous operations, as well, the Group was constantly seeking opportunities to use and utilise renewable energy. Energy saving and thus the increased protection of the environment are the core business goal and business policy of the Group.

8. Utilisation of financial instruments:

During the financial year 2021, the Company held the following positions as the Capital Market pillar of its strategy:

The Group invested part of its free cash in listed securities. The purpose pursued through these shares is to generate short-term profits and they have therefore been classified by the Group as FVTPL.

	12.31.2021		
	Purchase price of shares	**Recognised fair value difference**	**Book value**
ALTEO shares	15,079	2,361	17,440
ANY shares	15,520	(20)	15,500
MASTERPLAST shares	27,979	721	28,700
OTP Bank shares	42,369	869	41,500
Richter Gedeon shares	97,202	1,591	98,793
Épduferr Zrt shares	50,000	-	50,000
Total	**248,149**	**3,784**	**251,933**

The Group determined fair value based on stock exchange prices. The Group had no securities in the previous business year.

9. Risk management policy and hedging policy:

The Company hedges its foreign exchange risks with money and foreign exchange market transactions. No such transactions took place in the reporting year.

(10) Price, credit, interest rate, liquidity and cash flow risks:

The risks affecting the Company's operations have been presented above, with references.

Report of the Board of Directors to the standalone financial statements of the Company for the year 2021:

The Board of Directors has prepared and approved the standalone financial statements of ENEFI Vagyonkezelő Nyrt. for the year 2021.

The Company proposes to its shareholders to approve the standalone financial statements for 2021 in the light of the report of the Board of Directors, the Supervisory Board, and the Auditor on the financial statements:

8,135,104 thousands Ft	total assets for the current year,
(707,084) thousands Ft	total comprehensive income.

The Board of Directors draws the attention of its shareholders to the fact that the standalone financial statements of the Company form an integral part of this report, and requests that their decision to approve the report be made in full knowledge of the statements (including the notes thereto and related comments).

The Board of Directors of the Company still does not recommend the General Meeting to decide to pay any dividends.

The Board of Directors of the Company has prepared and approved this year as well the Corporate Governance Report to be submitted to the Budapest Stock Exchange in accordance with the legal provisions, which it submitted to the Supervisory Board and the General Meeting.

IV.

Corporate Governance Statement:

The Company annually publishes its corporate governance report, which is prepared and published in accordance with the provisions of the Hungarian Civil Code, the Capital Markets Act and the applicable regulations of the Budapest Stock Exchange.

The Company's Corporate Governance Report is available on its website (www.enefi.hu) and on the websites operated by the Budapest Stock Exchange Budapesti Értéktőzsde Zrt. (www.bet.hu) and Magyar Nemzeti Bank (www.kozzetetelek.hu).

In its corporate governance report, the Company provides a detailed statement of its corporate governance practices and the reasons for any deviation from the required recommendations.

The Company prepares the statements with great care, and in its audit and risk management process (i) the statements are prepared by the accounting experts of the Company, (ii) discussed by the Board of Directors of the Company, (iii) and, following approval by management, discussed by the Company's Supervisory Board (iv) and by its Audit Committee, (v) and, in addition to the above, the statements are reviewed and audited annually by an auditor.

The Company has not applied a diversity policy to its business, management and supervisory bodies, given that it acts in accordance with the law in that matter and that decisions on personnel matters are made by the top decision-making body.

Issuer's statement

Based on the applied accounting regulations, the financial statements that have been prepared to the best of our knowledge give a true and fair view of the assets, liabilities, financial position and earnings of ENEFI Vagyonkezelő Nyrt.

The Company declares that the Management Report provides a true view of the issuer's position, development and performance, presenting the main risks and uncertainties.

Mr. Csaba Soós - Mr. Ferenc Virág - Mr. László Bálint
board of Directors
ENEFI Energy Efficiency Plc.